

**Individualism, Egalitarianism, Hierarchy and Fatalism
in London Housing Associations, 1988-2003: A Study
of Housing Management and Cultural Change**

**A Thesis Submitted for the Degree of Doctor of
Philosophy at University College London,
February 2006**

Tony Manzi

UMI Number: U592278

All rights reserved

INFORMATION TO ALL USERS

The quality of this reproduction is dependent upon the quality of the copy submitted.

In the unlikely event that the author did not send a complete manuscript and there are missing pages, these will be noted. Also, if material had to be removed, a note will indicate the deletion.



UMI U592278

Published by ProQuest LLC 2013. Copyright in the Dissertation held by the Author.
Microform Edition © ProQuest LLC.

All rights reserved. This work is protected against
unauthorized copying under Title 17, United States Code.



ProQuest LLC
789 East Eisenhower Parkway
P.O. Box 1346
Ann Arbor, MI 48106-1346

**Individualism, Egalitarianism, Hierarchy and Fatalism in London
Housing Associations, 1988-2003: A Study of Housing Management and
Cultural Change**

ABSTRACT

This thesis investigates management change in housing associations in London since the Housing Act of 1988. Previous work on housing management has tended to focus on the adoption of new public management principles, assuming that policy from 1988 has resulted in a cultural shift towards individualism. This study makes use of 'grid-group' cultural theory to challenge this assumption by tracking all four 'cultures' within housing association management: egalitarianism, hierarchalism and fatalism as well as individualism. As a detailed qualitative analysis of the voluntary housing sector, it addresses a neglected field of study within public policy.

London provides rich ground for analysis of cultural change in the voluntary housing sector. It has a higher concentration of housing associations than any other UK city, it is where most of the larger housing organisations originated and it is the site of the greatest development activity throughout the period. London housing associations encapsulate all the significant changes in housing management resulting from the reforms of the 1980s.

Whilst the study finds evidence of individualistic philosophy, particularly amongst senior housing association managers, it also finds evidence of egalitarianism, hierarchalism and fatalism. Egalitarianism remains as the legacy of housing associations' historical origins and organisational structures. Hierarchy results from an increasingly dominant role for a small number of large, elite organisations, which become more hierarchical as they grow. Fatalism has emerged as a prevalent ethos amongst front-line staff, reflected and reinforced by the increasingly negative experience of residents. The thesis reveals how, contrary to the expectations of the 1988 Act, an overall shift 'up-grid' towards hierarchalism and fatalism emerged as the most significant response.

Preface and acknowledgements

My interest in the housing association sector began when I was first employed by Notting Hill Housing Trust in the early 1980s. Prior to this time I had been working in a local authority environment (for the London Borough of Hammersmith and Fulham). On taking up employment at Notting Hill I was struck by the expectation that staff should complete a wide range of duties (in comparison to the rigidly structured local authority environment). As a front-line housing manager, I was involved in housing management, development, benefits advice and raising maintenance orders. This environment provided a stark contrast with local authority duties which were far more precisely laid down. The predominant view amongst local authority staff was that housing associations were well-meaning amateurs, who lacked the 'professionalism' of the statutory sector.

The late 1980s witnessed a period of considerable change and this patronising view of housing associations was under review. Notting Hill prided itself on its local roots in West London, but was under increasing pressure to develop outside its traditional geographical areas and to undergo structural changes to incorporate more dynamic and innovative management strategies. It occurred to me that this process of cultural change was worthy of greater investigation as these kinds of debates were replicated across a wide range of organisations in the voluntary housing sector. However, there remained very limited academic discussion of the role of housing associations. As local authorities became more strategic, enabling bodies, so housing associations occupied a much greater role in housing provision. Consequently as I began to explore academic questions of housing policy, I was eager to investigate these issues of cultural change in the voluntary housing sector (an area which had to date been very little explored).

Completion of this thesis would not have been possible without the guidance and support of many people.

First, all of those who gave their time and patience in contributing to the interviews. These were all busy individuals who helped greatly in understanding the processes of change taking place within the housing association sector. They included those working for local authorities, housing associations and other statutory and voluntary agencies. These individuals ranged from Chief Executives to front-line management staff and residents. I learned a great deal from them not only about the content of the questioning, but also about effective interviewing techniques.

My colleagues at the University of Westminster helped to stimulate numerous discussions and offered valuable advice about housing policy issues and theoretical questions. In particular Bill Smith Bowers offered much practical assistance. The MA students at the University also helped to shape my ideas and train of thought throughout.

My close friend and colleague Keith Jacobs offered advice and assistance throughout the long research and writing process. My collaborations with him in other areas have helped to shape my writing style in countless ways.

Helen Margetts has been an invaluable and supportive tutor throughout a long and sometimes painful process. Her practical advice and patience in reading drafts and offering thoughtful comments on the various drafts were offered immense help (not only in writing this thesis but in academic writing as a whole).

Lynn Paddock proof read the document and made very helpful grammatical contributions. My parents offered constant support. Sharon Richmond not only offered numerous insights into the practical working relationships between housing associations and local authorities, but encouraged me throughout and finally of course to Olivia for her distinctive contribution.

CONTENTS

List of tables and figures

1. Overview of the thesis

1.1 Introduction	10
1.1.1 Definitions of the sector	12
1.2 Theoretical framework	17
1.3 The field of analysis: housing management and London housing associations from 1988 to 2003	19
1.4 Methods	23
1.5 Structure of the thesis	24

2. Understanding the housing association sector: the application of cultural theory

2.1 Introduction	27
2.2 Existing accounts of housing management and housing associations	28
2.2.1 Practitioners	32
2.2.2 Historical accounts	35
2.2.3 Managerialist approaches	37
2.2.4 Network theorists	41
2.2.5 Institutional accounts	44
2.3 Applying cultural theory	48
2.4 Cultural relationships and organisational change	56
2.5 Overcoming the criticisms of cultural theory	59
2.6 Conclusion	62

3. The foundations of the housing association ‘movement’: a cultural and institutional history

3.1 Introduction	65
3.2 The historical neglect of the voluntary housing sector	66
3.3 A cultural history of the sector	67

3.3.1 Individualism: a philanthropic sector (1890 to the 1960s)	67
3.3.2 Egalitarianism: a campaigning sector (1960s and 1970s)	75
3.3.3 Hierarchy: housing associations as agents of the State (the 1970s)	83
3.3.4 Fatalism: a residual sector (1980s)	89
3.4 The New Public Management Reforms: the Housing Act 1988	94
3.5 Conclusion	100
 4. Swimming with sharks: individualism in housing associations	
4.1 Introduction	104
4.2 An individualist approach to organisational design	105
4.3 The individualist ethos since 1988	106
4.4 The drivers towards individualism	107
4.4.1 The discipline of private finance	107
4.4.2 New risk factors	114
4.4.3 The entrepreneurial ethos	118
4.5 The responses to individualism	125
4.5.1 Heroic managerialism: the Chief Executive culture	125
4.5.2 Inter- and intra-organisational conflict	129
4.5.3 Institutional fragmentation: the end of the 'movement'?	137
4.6 Conclusion	141
 5. The need for roots: egalitarianism and housing associations	
5.1 Introduction	143
5.2 The pressures towards egalitarianism	145
5.2.1 A low grid sector: the historical legacy	146
5.2.2 The governance structure	153
5.2.3 The strong group: partnership and mutuality	158
5.3 The responses to egalitarianism	162
5.3.1 Organisational conflict	162

5.3.2	False expectations	167
5.3.3	Self-destruction?	173
5.4	Conclusion	177
6.	The growth game: hierarchy and housing associations	
6.1.	Introduction	182
6.2.	Housing management and the critique of hierarchy	184
6.3.	Pressures towards hierarchy in housing associations	186
6.3.1.	Regulation and the centralisation of housing policy	187
6.3.2.	Size	193
6.3.3.	Status and policy influence	200
6.4.	The impact of hierarchy	203
6.4.1.	Elitism and the premier league	204
6.4.2.	The loss of discretion	211
6.4.3.	The end of 'generic' housing management	217
6.5.	Conclusion	222
7.	Things can only get worse? Housing management in the front line	
7.1.	Introduction	225
7.2.	The pressures towards fatalism	226
7.2.1.	Exogenous (high grid) pressures: government agencies	227
7.2.2.	Endogenous (low group) pressures: housing association residents	232
7.2.3	Internal pressures: the nature of the management task	241
7.3	The impact of fatalism	248
7.3.1	Staff futility	249
7.3.2	Relations between staff and residents	255
7.3.3	The resident experience	261
7.4	The positive effects of fatalism?	268
7.5	Conclusion	270

8. Conclusion	
8.1. Introduction	274
8.2. The injection of individualism	276
8.3 The legacy of egalitarianism	279
8.4 Hierarchy on unstable foundations	282
8.5 A fatalist sector?	285
8.7 The broader context	288
 Bibliography	 292
 Appendix I Methodology	 318
 Appendix II List of interviews	 324

List of Figures and Tables

Figures

1.1 New housing completions in Great Britain, 1973-1995	16
2.1 Grid-group cultural theory	50
3.1 Housing association investment, 1979-1997	98
4.1 The rise of entrepreneurialism, post 1988	142
5.1 The pressures exerted by management committee members (early 1990s)	180
6.1 Housing association turnover by group, (£m) 2001	198
6.2 Average number of homes per housing association group	199
6.3 The shift to hierarchy in the 1990s	223
7.1 Changing forms of assistance with housing costs, 1980-1988	236
7.2 Organisational pressures towards fatalism	272
8.1 The shift towards a high-grid sector	289
8.2 Future directions for the housing association sector	290

Tables

1.1 Housing tenure in Great Britain, 1950-2002	15
1.2 Changes in tenure in London, 1991-2001	21
1.3 Housing completions in London by tenure, 1990-2002	21
2.1 Housing interventions and cultural theory	58
3.1 The philanthropic housing Trusts	69
3.2 The 'pioneering' associations	73
3.3 The rehabilitation housing associations	78
3.4 The specialist housing association movement	82
3.5 Lettings to homeless households (all tenancies), 1980-1988	91
3.6 Rent registrations for housing association accommodation in Greater London, 1974-1988	92
3.7 Headline grant rates to housing associations, 1988 to 2000	98
4.1 Housing association chief executive remuneration, 1997-2002	128
5.1 The major black and minority ethnic (BME) housing	

associations in London	152
6.1 Housing associations operating in over 100 local authority districts	205
6.2 The G15 housing associations	210
6.3 Referrals in the London region in 2002	215
7.1 Employment status of housing association head of household, 1981-2001	232
7.2 Lettings to homeless households in London, 1988-2002	233
7.3 Average rents and incomes in the housing association sector in Great Britain, 1980-1988	237
7.4 Selected socio-economic profile of a London consortium (housing association) estate, 2003, compared to ward and borough data	239

Chapter 1

OVERVIEW OF THE THESIS

1.1 Introduction

The stereotypical image of the UK housing association worker has traditionally constituted either philanthropic 'Lady Bountiful' types, engaging in charitable activity or well-intentioned amateurs campaigning to prevent homelessness. Following the introduction of the Housing Act 1988 this image is now widely seen as an anachronistic depiction of the contemporary voluntary housing sector. The leading commentator on housing associations sees the history of the sector as undergoing a radical transformation from a 'tiny, insignificant and mostly risible' feature of housing policy, 'leading a precarious existence on the margins of viability' into a 'dynamic, expansionist and highly professional set of social businesses, well-suited to play a key role in the modernised welfare state' (Malpass, 2000a, p.270). The housing association sector has experienced significant growth over a relatively short period of time, from a sector owning around 100,000 properties in the UK in 1974 to around 1.8 million by 2003 (ODPM, *Housing Statistics*). It has assumed a position (since 1988) where it has replaced local authorities as the main provider of new housing, with an estimated asset base of £60 billion and receiving around £25 billion in private finance per year by 2003 (Aldridge, 2005, p.27-28).

The housing association sector has therefore experienced substantial transformation resulting from a combination of legislative change, management ideology and financial reforms (Walker, 2000; Mullins and Riseborough, 2001). The cumulative effect has been fundamentally to challenge the original philosophy of the sector, calling into question its attachment to founding ideals, its core ethos and the nature of housing

professionalism. For example, there is considerable debate about whether or not the sector can continue to represent itself as a coherent 'movement'.

Whilst many discussions choose to highlight the major changes that have affected the sector, other interpretations have chosen to emphasise the continuities between earlier and later periods of change and to downplay the scale of the reform process:

The sector weathered the impact of the Housing Act 1988 and embraced the introduction of private finance, emerging in the 1990s, perhaps a little leaner and more efficient, but largely unchanged; the housing association of 1979 is still recognisable as such, in terms of activities and ethos, in 1999 (Cope, 1999, p.345).

These differences in interpretation highlight how disparate explanations can emanate from a lack of theoretical tools to adequately explain the processes of change within the sector. They also reflect a lack of practical accounts of the experience of working within these organisations that can help to understand the processes of change.

The aim of this thesis is to 'map the genome' of the housing association sector through an analysis of its organisational DNA. In doing so the thesis focuses on the impact of management change within the housing association sector following the introduction of the 1988 Housing Act. The thesis ascertains how historical and cultural influences have determined policy and practice. Second, it examines the extent of change within the housing association sector. Third, it considers how organisational change has affected the identity of the sector and the implications for housing policy, now that it has assumed the role as the major provider of new social housing. The thesis addresses the following research questions:

- In what ways was the housing association sector affected by an injection of individualism in 1988?
- To what extent was the sector able to retain an egalitarian organisational identity?

- What are the consequences of the sector becoming used as a tool of social policy?

1.1.1 Definitions of the sector

What kind of organisations are housing associations? The term 'housing association' is a generic name for the voluntary housing sector in Britain. The voluntary status serves to distinguish it from the traditional main provider of social housing, the local authority sector. Housing associations are 'diverse, non-profit-making organisations with a variety of constitutional formats, structures and aims' (Langstaff, 1992, p.30) and are managed by voluntary management committees (sometimes referred to as Boards). The voluntary housing sector has historically comprised a number of forms, including charities, limited companies as well as Industrial and Provident Societies. However, housing associations must not trade for profit, meaning that any profits made must be reinvested into the organisation (Cope, 1999, p.26).

The term 'housing association' was first coined in Britain in the 1930s. Before this period, the generic term was 'public utility society' (Malpass, 2000b, p.203). In order to claim public subsidy, housing associations are required to register with a non-departmental public body (the Housing Corporation). The Housing Corporation has also been responsible for monitoring the performance of associations. However, since 2003, the Audit Commission, through the auspices of the Housing Inspectorate has taken over this monitoring role. Housing associations have to classify themselves either as an Industrial and Provident Act society or as a charity in order to register with the Housing Corporation. The Housing Corporation distinguishes between a number of different forms, including: Abbeyfield, co-operative, co-ownership, hostel, letting/hostel, letting, sale or lease and YMCA/YWCA.

The wide diversity is evident in the differences in aims, philosophies, functions, sizes and organisational structures (Cope, 1999, p.2). The sector is not restricted to rented housing and may be involved in housing for sale and shared ownership schemes. Some are large organisations with tens of

thousands of properties; others have no property at all but only manage stock on behalf of others. Some are significant, developing businesses across the country; others have small stock in a limited geographical area and no development programme. Some will provide general housing for a range of groups; others are restricted to specialist housing for specific groups such as older people or people with mental health needs. For the purposes of this study and to aid comparison, most of the organisations examined comprise general housing providers, receiving government subsidy and with a development programme. These 'mainstream' organisations comprise the major, developing organisations that have been placed at the centre of contemporary housing provision following the 1988 Housing Act.

However, there is little consensus about the role of the voluntary housing sector beyond the basic definition of providing 'affordable housing and related services for people on low incomes and in housing need' (Cope, 1999, p.1). This vague statement generates a number of questions. For example, how is the concept of affordability to be defined? Who qualifies as 'low income and in housing need'? Should provision be exclusive to such groups? What geographical areas should they work in?

The public status of housing associations derives from the significant government subsidy that they continue to receive. Their voluntary status derives from their governance by unpaid management committee members and the fact that they do not fulfil statutory functions. Their financial and operational independence has placed them within a private sector environment. Thus 'on the one hand, actively growing associations have been under pressure to become more businesslike and competitive, while on the other hand they have become more obviously and deeply entrenched within the structure of the state apparatus for meeting social needs' (Malpass, 2000a, p.240).

The standard view of the sector was that it had substantially benefited from the diversity of organisational types and the range of strategies, allowing it to

appeal to a broad spectrum of political opinion. According to this interpretation, housing associations therefore gained distinct advantages from their ability to adapt to the different demands of competing government administrations. The growth and survival of associations is therefore attributed to their ability to appeal to a range of ideological preferences. Housing associations have been seen as 'falling within the intersections of the three worlds of government, private sector bureaucracies and membership associations' (Billis *et. al.* 1994, p.28). They 'occupy overlapping ambiguous territory that has the characteristics of both bureaucracy and membership associations' (*ibid.* p.28). Situated between government, market and voluntary environments, the extent to which housing associations could retain this indistinct status was seen as crucial to their continued expansion. Housing associations appealed to left and right on the political spectrum (Hills, 1987; Back and Hamnett, 1985) and historically functioned as an acceptable compromise for both Conservative and Labour governments in their intermediary role between the public and private sectors (Harrison, J., 1995). Writers have argued that this ambiguity has over time, been largely advantageous, enabling associations to benefit from the growth of the 1970s and also to avoid the worst expenditure restrictions in the 1980s and 1990s (Hills, 1992). The view that the 'lack of clarity has not hindered the sector in any way' (Cope, 1999, p.2) is a widely shared one.

An alternative view is that the flexibility of housing associations may have been gained at the cost of their independent status. Hence, it was 'precisely because of their ambiguous status that successive governments have been able to adapt the movement to satisfy their own goals' (Back and Hamnett, 1985, p. 398). Whilst associations historically were thought to have benefited from their distinction from public sector bureaucracies their ambiguities have become more problematic in an era when associations no longer enjoyed the benefits of such independence from government. These ambiguities have led to important tensions in their role and functions and commentators are beginning to acknowledge that the tensions are becoming increasingly problematic. Thus, Harrison (2002) argues that there may be a 'divergence

between, on the one hand, growth, managerialism, financial prudence and commercialisation and, on the other, advocacy and continuing community interactions' (p.123).

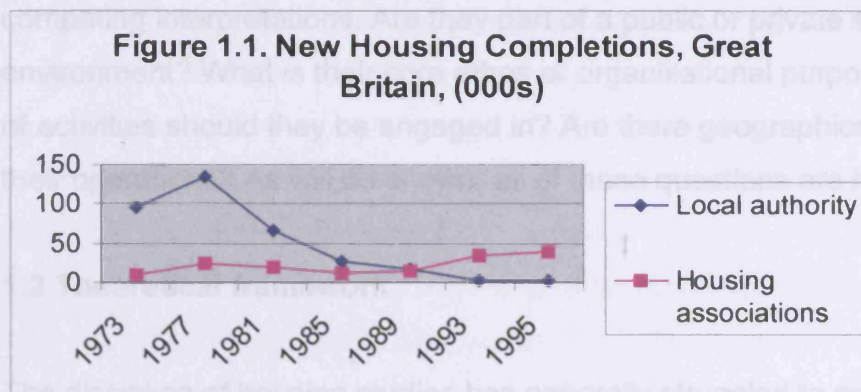
The story of housing associations is inextricably connected to changes in housing tenure in Britain in the twentieth century where they have historically played only a marginal role. The restructuring of tenure in Britain has seen private landlords decline from a figure of 90 per cent of all properties before 1914 (a figure which included housing associations) to around 10 per cent in 2001. During the same period owner occupation has increased to form the majority tenure from a figure of 10 per cent to approximately 70 per cent. In relation to socially rented housing, local authority owned accommodation reached a peak of around 30 per cent of properties in 1971 reducing to around 14 per cent in 2002. Housing associations have increased from 2 per cent of properties in 1981 (when they were first distinguished from private landlords) to around 7 per cent in 2002. Table 1.1 illustrates the changing composition of housing tenure in Britain since 1950.

Table 1.1 Housing tenure in Great Britain, 1950-2002, percentages

	Owner occupied	Local authorities	Housing associations	Private rented
1950	29.0	18.0	-	53.0
1961	42.3	25.8	-	31.9
1971	50.6	30.6	-	18.9
1981	56.6	30.3	2.2	10.9
1991	66.0	21.3	3.2	9.5
2001	69.2	14.4	6.6	9.8
2002	69.6	13.8	6.7	9.9

Source: ODPM, *Housing and Construction Statistics*

Despite the low level of housing association property in percentage terms, it is the sector that is increasing at the most rapid rate. Figure 1.1 shows how from 1988 the housing association sector overtook local authorities in terms of provision of new housing.



Source: ODPM, *Housing and Construction Statistics*

Not only do housing associations have responsibility for new provision, but since the mid 1990s they have taken responsibility for previously local authority owned stock through transfer programmes (so-called local authority voluntary transfer initiatives); a process which has led to a major shift of assets from the public to the voluntary sector. A further impetus to the development of the sector has been the willingness of many organisations to become involved in diverse initiatives connected to regeneration programmes under schemes known as 'Housing Plus' and wider community investment initiatives, encompassing training, education and community development schemes. The diversity of activity has served to change considerably the role that housing associations play within contemporary housing policy.

Since 1996 housing associations have been included under the generic term 'registered social landlords' (RSLs) to represent the different kinds of housing organisations that can claim public subsidy. However, this study primarily uses the term 'housing associations' to illustrate the historical development of this institutional form.

A range of unanswered questions surrounds the development of contemporary housing policy. In particular, the definition, function and role of contemporary housing associations can be seen as subject to a wide range of

competing interpretations. Are they part of a public or private sector environment? What is their core ethos or organisational purpose? What range of activities should they be engaged in? Are there geographical limitations to their operations? As will be shown, all of these questions are highly contested.

1.2 Theoretical framework

The discipline of housing studies has generally struggled to establish itself as a distinct academic discipline and to develop a distinctive body of theory. Attempts to apply conceptual models and to encourage cross-disciplinary fertilisation have been limited and housing policy has been neglected in theoretical debates about organisational change. Historically, a striking feature of housing policy analysis has been the disproportionate level of attention devoted to local authority housing provision at the expense of other tenure types. Although this local authority bias is beginning to be addressed (see for example, Malpass, 2000a; Mullins and Riseborough, 2001) there remains little detailed conceptual analysis of the role of the housing association sector and a lack of detailed empirical, qualitative accounts of relationships and responsibilities of the experience of working within the sector. The thesis aims to redress this lacuna: to apply insights from wider disciplines in order to study the development of the sector; to examine how the sector changed and to illustrate staff attitudes to organisational change. In particular, it uses the tools of political science and social anthropology in order to throw fresh light on developments in the voluntary housing sector and to examine the influence and impact of competing interests, values and attitudes represented within contemporary housing organisations.

In order to provide a more detailed empirical analysis of the sector the thesis makes use of 'grid-group' cultural theory (Douglas, 1982) to consider the competing cultural influences facing contemporary housing organisations. The intention is to provide a conceptual layer, to explain the diverse social solidarities that constitute the sector. Cultural theory explains social behaviour through a typology incorporating different 'ways of life' or 'cultural biases' which are constructed from two axes, namely regulation (grid) and collective

behaviour (group). From these two dimensions, four ways of life are generated consisting of hierarchy, individualism, egalitarianism and fatalism. According to writers such as Douglas (1982) these ways of life form the main categories within which social life and organisational behaviour is conducted, explaining the reasoning behind the formation of choices and preferences. Each of the cultural biases is defined in opposition to the other, implying a limitless potential for conflict. At the same time, each way of life is dependent upon the other to sustain itself and to reassert its legitimacy. The management of change therefore entails an inevitable and continual struggle between competing interpretations of organisational identity, purpose, vision and strategy, concomitant with the dominant cultural biases. Cultural theory offers an interpretative framework, which is capable of analysing institutional change in housing associations through a conceptual scheme that allows for conflict and unintended consequences.

In adopting this approach, the thesis develops Hood's (2000) application of grid-group cultural theory to a general public management context. By providing an application of cultural theory located within the empirical context of organisational change in the voluntary housing sector, the thesis provides a detailed exposition of organisational behaviour in a rapidly changing environment. The thesis thus combines theoretical and practical accounts of management change and provides a bridge between abstract theorising, which is frequently divorced from day-to-day decision-making in organisations and practical accounts of housing association reform, which commonly lack explicit theoretical foundations. As Stoker (2004) contends the value of grid-group theory is that it 'goes beyond a useful heuristic device for thinking about patterns of social organisation to provide powerful insights into social change and how institutions respond to change' (p.5). These insights have a clear resonance to a sector that has undergone radical change in the 1980s and 1990s.

1.3 The field of analysis: Housing management and London housing associations from 1988 to 2003

The thesis pays particular attention to the development of housing management practice within the voluntary sector. Normally understood as a common-sense occupation; dealing with rent arrears, empty properties, tenancy support and managing anti-social behaviour, it has attempted to ground itself on a more professional basis. As the core business of the social housing sector it plays a central part in determining organisational identity. One of the main struggles within contemporary housing management is the attempt to present itself as a professional occupation whilst catering for an increasingly marginal client group. Moreover, as a fluid, indeterminate practice, it encapsulates many of the key, contemporary organisational conflicts within the sector.

The growth of housing associations in the 1980s was seen as a response to the deficiencies of local authority housing management, which was widely perceived as inflexible, impersonal and inefficient. A number of influences stimulated the changes in the 1980s, including: ideological hostility to the State; new forms of managerialism; legislative reform and a restructuring of housing subsidies. Proponents of new models of housing management stress the importance of 'a move away from a public service ethos to that of a public innovation ethos' (Duncan and Thomas, 2001, p.67). Housing associations were selected as the ideal tools to deliver these new styles of management as they were seen as locally based, professional and adaptable to new ways of thinking.

The managerial reform programme of the 1980s is commonly referred to under the umbrella term of a 'new public management' (NPM) (Hood, 1991). This term covers a very broad range of ideas, concepts and ideologies. Nevertheless, the three core notions of 'incentivisation', 'competition' and 'disaggregation' (Dunleavy and Hood, 1994) represent the ways in which public sector organisations were compelled to utilise techniques of performance measurement, to compete with other organisations for business

and to divide themselves into client and contractor (or purchaser and provider) elements. These ideas have had considerable purchase upon the housing association sector, which was seen as an ideal testing ground for the 1980s reforms and in particular was seen as an effective alternative to state provision through local authority management and ownership. The housing association sector therefore epitomises these NPM principles and consequently, many studies have tended to rely on models of new public management as an explanation of organisational change (Walker, 1998b; 2000). However, as will be shown, NPM is inadequate to explain the complexities of organisational change in the sector – there has not been a simple shift towards modernisation, implying the rejection of hierarchy. In practice (as will be shown) management change has involved a complex set of changes involving a number of cultural ideologies.

The Housing Act 1988 is chosen as representing a moment of 'punctuated equilibrium' (Krasner, 1984) whereby a period of relative organisational stability is disrupted by a process of radical transformation heralding wider and fundamental changes. Described as constituting 'new organisational paradigms' (Walker, 1998a, p.108) and 'little short of revolutionary' (Cowan and Marsh, 2001, p.6) the reforms of the 1980s marked a key watershed in housing policy. Hence, 'a quiet revolution in public, or municipal housing has taken place' with 'municipal housing...viewed as a phenomenon of the 20th century' (Walker, 2001, pp.675-6). The significance of the Act warrants detailed study as it provided the foundations for a wide-ranging and fundamental set of transformations to the independent rented sector. The Act was part of broader changes described as 'seismic shifts' which 'transformed the British social policy landscape during the 1980s and early 1990s' (Harris *et. al.*, 2001, p.4).

The range of the study is limited to housing associations within the London region. There a number of reasons for this focus on the London region. First, London has historically represented the heart of voluntary activity. Those organisations with deep historical roots have tended to be situated within the capital, which continues to function as the centre of the housing association

movement. The first philanthropic housing associations originated in the London area and currently 440 members of the National Housing Federation are based in the capital, constituting a third of the total membership (Malpass, 2000a, p.8). Table 1.2 illustrates the changing profile in dwelling stock in London from 1991.

Table 1.2: Changes in tenure in London, 1991-2001

	1991 (000s)	%	2001 (000s)	%	% change
Housing association	155	5.6	274	9.1	77.2
Local authority	644	23.3	516	17.1	-19.9
Owner Occupation	1,579	56.5	1,705	56.5	7.9
Private rented sector	383	17.3	521	17.3	36.1

Source: Dataspring, 2003

The above figures show that although the housing association sector is small in numerical terms, it is nevertheless the fastest growing social rented tenure with a 77 per cent increase in growth between 1991 and 2001. Housing associations comprise around 9 per cent of the three million dwellings in London (almost 300,000 properties), compared to 17 per cent for local authorities, 56 per cent owner occupied and 17 per cent privately rented. However, these figures fail to illustrate the increasing proportion of completions through the housing association sector in the London area. As shown in table 1.3, the supply of new local authority housing has declined to negligible levels, with council house building ending in the late 1980s.

Table 1.3: Housing completions in London by tenure, 1990-2002

	Registered social landlords	Private enterprise	Local authorities	Total
1990	2,279	13,208	1,745	17,232
1995	5,437	9,462	223	15,122
1999	3,198	9,631	35	12,864
2002	4,258	11,435	71	15,764

Source: ODPM, *Housing Statistics*

A second reason for choosing London as a focus of study is that it has historically been a source of extensive municipal activity, with many of the social experiments in high-rise and mass housing played out within its environment. Functioning as a 'technological shortcut to social change' (Dunleavy, 1986, p.193) the modernist mass housing era was an important factor in the subsequent rejection of the local authority landlord function. The 'crisis of legitimation' (Dunleavy, 1981, p.242) for high-rise housing can be traced to the disaster at the Ronan Point tower block in Newham in 1968 when an explosion resulted in the collapse of the property and the loss of five lives (Dunleavy, 1981, p.122). The reaction against the mass housing experiment took the form of a wider critique of the legitimacy of bureaucratic municipal landlords in general and allowed a more positive attitude towards the voluntary housing sector to develop.

A third justification is that London represents extensive challenges of marginalisation, crime and vandalism facing public landlords, meaning that the housing management function is subject to severe 'social' pressures. Five of the ten most deprived wards in England are located within the Greater London area and of the 20 most deprived wards, 70 per cent are located in London (London Research Centre, 1996). Furthermore, London experiences some of the most intense spatial polarisation between rich and poor. In particular, housing association new tenants now comprise the most disadvantaged groups in the country. As the correlation between social housing and relative deprivation has become increasingly marked in recent years, the status of a social housing tenancy has become increasingly associated with stigma (Lee and Murie, 1997). With the capital experiencing the highest level of homelessness in the country, local authorities in London and surrounding areas are compelled to allocate an increasing proportion of new social housing to statutory homeless groups. As new properties are now almost exclusively supplied by housing associations, new tenancies therefore comprise groups perceived as in 'priority need'. Furthermore, within London new luxury private developments are frequently situated alongside housing association developments comprising highly marginal groups, creating

significant management problems for housing association providers. Consequently, the London area has witnessed many of the key dilemmas and conflicts faced by the voluntary housing sector in a process of fundamental organisational change.

1.4 Methods

The thesis has primarily adopted an approach that utilises qualitative data through an analysis of the experiences of key stakeholders involved with the housing association sector. Interviews were conducted with individuals and groups including professional managers, front-line staff, management committee members, local authority members and residents (see appendix one for a more detailed discussion of the methodology used). The purpose of the interviews was to develop a thorough picture of the experience of change from within the sector and also from those who worked closely with housing association partners. The interviews were conducted over a period of seven years (from 1996 to 2003) in order to gain a clearer longitudinal picture of the kinds of changes facing the sector. The research also included four focus group discussions with professionals working in local government, housing associations and advice agencies. It makes use of two resident surveys: one conducted in 2001 at a tenants' conference and the other a survey collected from residents of a housing association consortium estate. This study differs from existing representations of the sector which rely upon either highly descriptive explanations (Cope, 1999) or general historical accounts (Malpass, 2000a). It provides a detailed representation of the way in which organisational changes have influenced the sector in the most significant geographical area of housing association activity. It also offers an analysis of attitudes to management change from a variety of perspectives, to capture the experience of working in the housing association sector at the end of the 1990s and into a new millennium.

1.5 Structure of the thesis

The remaining chapters provide the detailed analysis. Chapter two covers existing academic approaches to the study of the housing association sector. It classifies existing approaches to the sector under five main headings; those advanced by *practitioners*, *historical accounts*, *managerialist approaches*, *network theorists* and *institutionalist accounts*. It considers the limitations of these explanations, primarily for their neglect of culture, and identifies grid-group theory as the most useful analytic framework to provide a conceptual basis for an understanding of the sector.

Chapter three provides a broader historical account of the background and context to the 1988 Housing Act. This history is developed through the lens of four cultural 'biases' to explain the competing influences upon the sector, expressed as 'hierarchical', 'individualistic', 'egalitarian' and 'fatalistic' pressures. The discussion considers how these pressures have affected approaches to the housing management function and outlines how the main changes introduced in the 1988 Act followed classic New Public Management themes.

The next four chapters identify the continuing existence of each of the four cultural types in London housing associations at the beginning of the twenty-first century. Chapter four considers the impact of managerialist ideologies in the immediate post 1988 environment. The main objective of the Act was to introduce a more individualistic ethos into the provision of housing services. Individualism in housing associations results primarily from three broad trends, namely the discipline of private finance, new risk factors and the notion of a social business. Many individualistic initiatives have been couched in normative terms and the chapter considers how this has shaped a culture of 'heroic managerialism', increased conflict and institutional fragmentation. The chapter explores the opportunities and constraints offered by these organisational cultures.

The influence of egalitarianism within the housing association sector is considered in chapter five. Evidence of strong group and low grid pressures are identified within certain organisational forms, in particular at a management committee level. In providing much of the original motivation of housing staff, egalitarianism permeates the housing association sector through a process of 'sedimentation', expressed as a desire to remain loyal to historical roots. Egalitarianism can be traced to a bias towards democratic values, where a high group preference for mutuality remains important alongside a strong preference for autonomy and a resistance to centralised control. Egalitarianism tends to be a particularly strong influence within smaller and minority ethnic organisations, reflecting the importance of values such as solidarity, mutuality and cooperation. An egalitarian bias reflects much of the historical roots of the sector and this historical legacy can be expressed as a type of 'path dependency' for the sector. Egalitarianism provided the impetus for much of the policy changes in the late 1990s, but resulted in significant organisational tensions as it was re-introduced into a sector which had been permeated by the individualistic cultures of the 1980s. The chapter argues that this organisational history acts both to constrain and enable future organisational expansion but that an egalitarian bias is under severe threat from organisational expansion.

Chapter six discusses one of the main unintended consequences of the reforms, namely an increase in hierarchy. Whilst at a rhetorical level writers have been keen to dismiss hierarchical approaches to management as outdated, the chapter illustrates the resilience of bureaucracy as an organising principle for housing associations. The chapter illustrates how a propensity towards high group and high grid structures is influenced by a centralisation of government policy, organisational growth and a desire for policy influence. The consequence of these pressures has been: an elitist sector with the emergence of a premier league of associations; a loss of discretion, and a specialisation of housing management activity, with an abandonment of traditional 'generic' roles. Moreover, these hierarchalist pressures exert a reinforcing effect with further pressures towards

standardisation and uniformity as organisations develop their roles and functions and pursue yet further growth.

Chapter seven considers the other main unintended consequence of the reform programme; namely the emergence of a fatalist cultural bias. Fatalism is the result of a combination of external and internal features. Externally, government regulation and wider economic factors have established a sector that is subject to a high level of constraint. Internally, the pressures from a more challenging client group and features that are inherent to the management task have combined to produce a low level of collective identification. The result is a strong sense of futility, a deteriorating relationship between staff and tenants and ultimately a worse experience for consumers. Significantly these tendencies reinforce one another to produce a vicious circle of fatalist attitudes and values.

Heavily dependent on market mechanisms, competition and choice and dominated by a rhetoric of risk and managerialism housing associations have been perceived as a particularly effective example of welfare reform. However, the pressures of social exclusion and more authoritarian management strategies strongly conflict with the laissez-faire, neo-liberal model of welfare provision. The research indicates the diversity of cultural influences and identifies the main areas of cultural conflict for housing organisations. The conclusion maintains that, contrary to the expectations that the 1988 Act would herald the emergence of a more individualistic culture for housing management, an overall shift 'up-grid' towards both hierarchalism and fatalism have emerged as the most significant responses.

Chapter 2

UNDERSTANDING THE HOUSING ASSOCIATION SECTOR: THE APPLICATION OF CULTURAL THEORY

Rather than ask, what is human nature? We ask, what are the social constructions of human nature? That is, what does social life have to be like to make a particular conception of human nature persuasive to people?...What has been missing from past conceptions, in sum, is the institutional context within which models of human nature make sense to the people involved (Thompson *et. al.*, 1990, p. 33).

2.1 Introduction

The aim of this thesis is to 'map the genome' of the housing association sector through an analysis of its history and organisational forms, to come to an understanding of its 'DNA'. This chapter outlines the main theoretical approach adopted as an aid to understanding the different influences affecting organisational behaviour in the sector. First however, the chapter considers existing accounts of housing associations and discusses their limitations. It classifies these accounts into five analytically distinct groups of writers: *practitioners*, *historical accounts*, *managerialist approaches*, *network theorists* and *institutionalist accounts*. The main contention is that each of these is limited in explanatory potential, primarily due to their neglect of culture.

The chapter therefore proposes an explanation of the sector through the use of grid-group theory to provide a more detailed framework for developing an understanding of the processes of cultural change within housing associations. Following Douglas (1982) the chapter maintains that determinants of organisational culture are underpinned by a limited number of models, which influence perceptions of effectiveness and shape systems, procedures and decision-making processes within organisations. In examining these models, it utilises Douglas' (1982) grid-group typology to argue that

housing associations can be classified within four basic categories. The options available to housing organisations can therefore be most usefully understood by reference to the cultural themes of hierarchy, individualism, egalitarianism and fatalism. This framework is chosen as a means to develop organisational types and is used to provide a detailed model for institutional analysis to understand preference formation, organisational history and the management of change

2.2 Existing Accounts of Housing Management and Housing Associations

Housing management generally refers to a range of functions connected with the social rented sector. It relates to duties such as: allocating property; collection of rent; maintenance and repairs; neighbour nuisance; managing empty property and providing advice and support to vulnerable groups. The literature on housing management practice has followed a highly practical vein with most of the early studies being little more than good practice guides and descriptions of the various functions carried out by social housing managers (e.g. Macey and Baker, 1973; Smith, 1989). The small number of critical studies that have been conducted have paid attention almost exclusively to the local authority sector (e.g. Power, 1987), reflecting the bias within housing management towards municipal authorities, at least until the late 1980s. However, even those studies that were written in the late 1990s continued to pay scant attention to the role of housing associations (e.g. Pearl, 1997).

Within housing associations, housing management has generally been of a generic nature, providing a comprehensive housing service (Cope, 2000, p.208). This genericism has been partly due to tradition (based on an 'Octavia Hill' model of housing provision, combining welfare and technical functions) and partly due to the generally small size of these organisations; they were insufficiently large to deploy specialist staff. Hence, for those working within the housing association sector, the management task has combined letting of

property, arrears control and tenancy support, with housing officers as the first point of contact for tenants.

Housing management has suffered from three specific problems of recognition and reputation. First, there is a sense in which the task has become associated with 'women's work'. Thus the history of housing management practice in the twentieth century has been a gender-dominated struggle between those who took a 'bricks and mortar' view that it should be an aspect of property management (the view of the male dominated Institute of Housing Managers) and those who perceived the function as a welfare practice, related to the tenant (the view of the Society of Women Housing Managers). It was only in the 1960s that the two organisations combined to form a unified Institute of Housing (now the Chartered Institute of Housing). The merger in 1965 was originally seen as a victory for a male-dominated profession, emphasising the property-based nature of the task rather than an approach that took a more personal interest in residents (Power, 1987). Since the 1980s as social housing has catered for an increasingly marginal population, the welfare model has become a widely accepted approach to housing management.

The founder of modern housing management is generally believed to be the Victorian philanthropist, Octavia Hill (Spicker, 1992) and the perception of housing management as primarily women's work compared to the more practical maintenance tasks associated with estate management has served to marginalise the status of modern housing management and weakened its attempt to portray itself as a serious professional occupation. Moreover, the management of social housing was historically not viewed as a priority in comparison to the need to construct new dwellings. The political priority in times of housing shortage has therefore been on numbers of dwellings completed rather than on the effectiveness of management arrangements (Kemp and Williams, 1991, p.121).

The second main problem was that housing management has been seen as a service limited to deprived groups. Social housing has never been viewed as

a universal welfare service and is increasingly limited to groups experiencing multiple deprivation. This notion that social housing is limited to deprived groups compared to the majority of the population who aspire to owner occupation has meant that social housing occupies a low profile in political discussion, compared to other universal welfare services such as health and education. A certain level of stigma is consequently associated with the granting of a social housing tenancy, as the sector has been subject to a progressive residualisation since the 1970s (Malpass, 1990). The tendency to view social housing in pejorative terms is becoming an increasing issue for the housing association sector; social housing management is increasingly equated with a welfare function, yet lacking the professional status of social work. Housing managers have not achieved any degree of market closure; it is not necessary to hold a professional qualification in order to practice and less than 15 per cent of the 100,000 housing staff are members of the Chartered Institute of Housing (Pearl, 1997).

Additionally, housing management has not been considered to require high levels of technical expertise. It has lacked a professional mystique and within a local authority context, housing management was subject to a high degree of political interference from councillors (Cole and Furbey, 1994, p.122). Subject to both a weak professional base and intellectual marginalisation, housing management has long been viewed as a simple 'common-sense' activity requiring little expertise and a low level of technical understanding.

Furthermore, the uncertainty and range of interpretation of housing management functions has meant that it has been an occupation with an uneasy professional status, where disputes over definitions and 'boundary management' are endemic (Franklin, 1998; 2000). As Franklin and Clapham (1997) have argued, housing management is noted for an absence of consensus about the duties and responsibilities of practitioners, lacking clear boundaries and characterised by fundamental disagreement about aims and objectives. Housing managers have suffered from 'boundary-spanning' problems wherein the role and function of the housing manager overlaps with

other professional groups such as social workers, engineers, architects and planners.

Thus, and with few exceptions (e.g. Laffin, 1986), academic discussions of professionalism, bureaucracy and power have tended to ignore studies of social housing organisations and in particular housing associations. The research agenda has broadly followed this narrow empirical trend. Researchers have been concerned with evaluating initiatives, making recommendations and improving current practice with a fragmented theoretical contribution. As Franklin claims: 'It has been rare indeed for housing management to be the subject of any sustained attempt at conceptual or theoretical analysis which would locate it within wider debates about society or the individual' (1998, p.201). Housing management has only recently begun to engage with wider issues of organisational theory, partly due to the practical limitations imposed by the major professional institution (the Chartered Institute of Housing, CIH). The CIH has often been criticised for insularity, emphasising tasks and skills required, rather than a wider knowledge base (Clapham, 1997; Mullins *et. al.*, 2001, p.614).

The role of the housing manager can thus be seen as an uncomfortable one; poorly defined, lacking status and under-theorised. These difficulties are compounded in a voluntary sector that has suffered from marginalisation and neglect. As discussed above, housing policy in Britain reflects the distinctive circumstances of a large municipal stock and minimal private sector activity. Until the 1980s therefore, discussion of housing management was synonymous with local authority practice.

In contrast to other explanations it is a contention of this thesis that the marginalisation ignores the extent to which the practice of housing management is central to the identity of the social housing sector. Housing organisations tend to see their core business as providing adequate services to people in housing need and the attempt to carve a more coherent professional identity for the housing manager can be seen as central to the

organisational identity of housing associations. An understanding of housing management change will therefore provide an illustration of how the corporate identity of the voluntary housing sector is being constructed. However, this understanding needs to have the ability to explain how the role of the housing manager has changed; to be able to interpret features at the level of structure and agency; to analyse causes and effects; to interpret the major conflicts and struggles and also to identify continuities as well as changes.

The neglect of housing management practice has been further exacerbated by a neglect of the housing association sector. Before the 1988 Housing Act there was little extended debate of housing associations. The exceptions were general discussions of philanthropy (Tarn, 1973), or studies produced by professional institutions (e.g. NFHA, 1983a; Jones, 1985) or organisational case studies (Stack, 1967; Emsley, 1986). Following the Housing Act 1988, housing associations became subject to more detailed, critical focus. The following sections discuss the attempts to date to explain housing management and housing associations.

2.2.1 Practitioners

Much of the literature on housing associations has been written by practitioners and therefore reflects an inevitable bias towards improving practice. A considerable proportion of housing association studies have comprised descriptive and normative studies that were closely related to best practice (e.g. Cope, 2000). These kinds of studies strongly emphasised how organisations should respond to the management changes of the late 1980s. For example Cope concluded her book on the sector with the following entreaty:

RSLs are working in a changing environment and each must position itself for success by learning new skills and ways of working. Competence, cost-efficiency (combining cost-effectiveness with affordability and quality) and accountability are keynotes for the future (Cope, 2000, p.353).

Cope's study typifies much of the commentary on housing associations, being entirely atheoretical and making no attempt to consider wider issues around the restructuring of welfare or the place of housing within a modernised welfare state. It provides an informative account of the main duties undertaken by housing associations, but there is no attempt to place these duties within a wider conceptual framework. Instead it is mainly concerned with providing advice to those working within the sector:

RSLs of the future must remain committed to building stable and inclusive communities. For many hundreds of years the independent housing sector has attempted to ensure that decent quality affordable housing is available for all who need it; as we enter a new millennium the need still remains great (Cope, 2000, p.353).

Often commissioned by government agencies and professional interest groups, practitioner accounts are designed to assist managers and policy-makers in understanding how the sector operates and in defining the roles of the sector. Many accounts stressed that housing associations had a distinctive identity, but it was unclear what precisely this identity consisted of. For example the National Federation of Housing Associations (NFHA) suggested: 'The message which the NFHA has tried to put over on the movement's behalf is that it is not public sector, nor private sector, but something different' (NFHA, 1990, p.38, cited in Mullins, 1998, p.138).

These studies were either presented in general and often superficial terms (National Housing Federation, 1997; 1999) or focussed on specific issues such as regulation (Day *et. al.*, 1993; Day and Klein, 1996), community involvement (Fordham *et. al.*, 1997; Dwelly, 1999), relations between committee members and senior managers (Exworthy, 2000), group structures (Audit Commission, 2001) and the black and minority ethnic sector (Hammond and Tilling, 2003). As these studies were mainly practice based, they were deliberately aimed at a professional audience, rather than an academic readership.

Practitioner accounts of housing associations tended to comprise detailed empirical studies of the sector, commissioned by independent funding

agencies (e.g. Pawson and Ford, 2002). One of the most controversial studies in this regard was Page's (1993) study of new housing association estates. In indicating some of the major problems likely to be experienced by housing organisations in managing large estates, the Page report (as it was termed) caused controversy as it suggested that the development of new housing association estates was replicating the past mistakes of local authorities. His argument was that although properties were developed with better design standards than in the past, allocation process based on priority need groups meant that there would be disproportionate concentrations of deprived groups in new properties, that there would be high child densities and low levels of economic activity. These factors would inevitably lead to tensions amongst residents, high levels of anti-social behaviour and a ghettoisation of new social housing.

Page's work was criticised both by practitioners for presenting too negative a picture of the sector and by academics who argued that the study lacked empirical substance and failed to draw on resident experiences (e.g. Cole, 2000; Cole *et. al.*, 1996). Notwithstanding this controversy there has been little further discussion of the specific management difficulties facing the sector.

Empirical studies have provided some thorough discussion of specific issues such as allocations policies (Pawson and Kintrea, 2002), stock transfers (Pawson and Fancy, 2003), investment (Chaplin *et. al.*, 1995), governance and accountability (Kearns, 1997; Klein and Day, 1994) innovation (Walker *et. al.*, 2001) or rent policy (Walker and Marsh, 2003). However, these studies rarely considered qualitative experiences of working within these organisations, did not provide a broader scope to debates about the role of the sector and generally did not engage with theoretical issues in public policy.

2.2.2 Historical accounts

The history of twentieth century British housing policy is almost exclusively a history of the rise and fall of council housing (e.g. Cole and Furbey, 1994) and have chosen to ignore housing associations. There have been a number of historical works on the influence of key individuals such as Octavia Hill (Darley, 1990) or the philanthropic organisations (Tarn, 1973) but none of these texts have discussed contemporary housing associations. The majority of textbook discussions of housing policy in the UK have mentioned housing associations only in passing as an adjunct to the local authority sector (for example, Balchin, 1995; Malpass and Murie, 1999; Balchin and Rhoden, 2002) with the voluntary housing sector meriting a short chapter at best.

Whilst there were some brief attempts at historical analysis of the sector prior to the 1988 Act (Back and Hamnett, 1985; Hills, 1987) after the Act there was much greater attention on the significance of the legislation (Hills, 1989; Langstaff, 1991; Best, 1991; Randolph, 1992; 1993; Harrison, 1995) and some attempts were made at considering both the past and the future of the sector (Spencer *et. al.*, 1995). However, these discussions tended to be relatively short accounts of organisational and sectoral change. The main lesson arising from such studies was the impossibility of drawing generalisations from such a wide disparity of organisational forms.

An exception to the largely atheoretical historical accounts of the sector is Garside's (2000) history of the William Sutton Trust. This text makes use of game theory as an explanatory device to illustrate the relations between different actors in the voluntary and statutory sectors and to explain how William Sutton Trust exerted different levels of influence at distinct periods during the course of the twentieth century. However, this was a study limited to one distinct organisation, which Garside shows was not representative of other forms of housing association. Garside's study therefore has a limited applicability to other organisations in the sector. As she comments:

The role the William Sutton Trust has been groomed to play was that of a responsible public body, nested within the priorities of national housing policy. The rules that it had internalised placed it closer to local authorities than to the voluntary housing sector (Garside, 2000, p.108).

A more influential historical analysis of the sector has been provided by Malpass (2000a; 200b; 2001) in a number of articles and one book-length history. Malpass' main contention is that the housing association sector has experienced an 'uneven development', suggesting that there is little cohesiveness in institutional structures. New organisations have been formed in different periods in response to government action and inaction but there is little to connect current and historical form. The sector is therefore being categorised by a 'discontinuous history', with little if any similarity between the 'public utility societies' of the early twentieth century and the 'registered social landlords' of the twenty-first. As Malpass comments,

the history of housing associations differs from that of the building societies; whereas virtually all building societies in Britain...have direct organisational continuity reaching back into the 19th century and there have been no new formations since the Second World War (apart from mergers), the opposite is true for housing associations (p.196).

Thus Malpass contends 'it is quite wrong to talk about voluntary housing as if it constituted a single social movement' (2000a, p.7). Malpass utilises the concept of a 'dual social rented sector' (2001) of local authorities and housing associations to explain why voluntary organisations played such a minimal role in UK provision for most of the twentieth century. In particular, he argues that the poor performance of housing associations after 1918 allowed municipal landlords to play a dominant role that lasted until the late 1980s.

Whilst Malpass provides the most important contemporary history of the sector he is unable to generalise satisfactorily about housing associations as he lacks the analytical tools to classify different organisations. His view that their history is 'discontinuous' and their development 'uneven' fails to provide

any systematic way to analyse variation and lacks typologies that can distinguish between different forms of housing association.

These historical accounts provide detailed discussions of the role and scope of the sector, but fail to supply clear analytical tools with which to analyse wider issues or to offer categorisations or typologies of organisational types. Such studies can be described as 'juxtapositional' approaches which provide a variety of examples of organisational types but neglect to offer explanations of organisational behaviour.

2.2.3 Managerialist approaches

A further group of writers who have become influential since the 1980s have adopted what may be termed 'managerialist' approaches, seeing the reforms to the social housing sector of the late 1980s as part of a wider set of changes to public sector organisations and provide normative explanations of the attempt to reform the organisational culture of bureaucratic institutions into dynamic, flexible and responsive agencies. Some grandiose claims have been made for the impact of managerialism as developed in the UK. For example, it has been described as heralding a 'quasi-market revolution' (Bartlett *et. al.*, 1998, p. 275) and instigating a fundamental shift 'perhaps for ever, in the way the public sector is structured and managed' (Greenwood *et. al.*, 2002, p.15). McLaughlin and Osborne (2002) state that NPM 'has become one of the dominant paradigms for public management across the world' (p.1). Osborne and McLaughlin (2002) also argue that it is fundamentally concerned with a shift from a unitary to a plural state (p.8) and an indication of changes from the management of public services to their governance.

Managerialist accounts of organisational change have been founded on three distinctive approaches, summarised as the core ideas of new public management, namely 'competition', 'disaggregation' and 'incentivisation' (Dunleavy and Hood, 1994). NPM approaches were influenced by criticisms from 'public choice' economists that public agencies are inevitably subject to

'budget maximisation' processes and over-supply of goods and services (Downs, 1967; Niskanen, 1973) as well as the arguments of populist management writers (for example, Peters and Waterman, 1982 and Osborne and Gaebler, 1994) that the traditional public sector organisation was inherently inflexible, unresponsive, and incapable of managing change. The overall aim of the reform programme was to transform the culture of public sector agencies from a model based upon administrative procedure to one based upon achieving managerial outcomes (Hood, 1991; Lane, 2000).

Managerialist accounts comprise a mixture of normative and empirical analysis and housing policy was strongly influenced by these ideologies in the late 1980s. Housing policy has been described as undergoing a 'quiet revolution' (Lowe, 2004) through tenure restructuring and the marginalisation of the local authority sector. Housing association managers were strongly attracted to the opportunities offered by the reform programme. In terms of the three main principles of NPM, competition was always a feature of the housing association environment and the 'quasi-market' reforms of the 1980s extended the 'marketisation' of the sector to generate intensified rivalry between these agencies (Le Grand and Bartlett, 1993) and effectively pumped significant levels of private finance whilst reducing the levels of public subsidy.

Disaggregation was an inevitable consequence of the fragmentation of social housing, where local authorities were encouraged to delegate their responsibilities to a more diverse and pluralistic range of agencies (Malpass, 1999b). Municipal bureaucracies were reduced to a strategic, enabling role with a much wider group of voluntary sector providers responsible for housing provision. Incentivisation was pursued through the demands of a more rigorous and systematic process of monitoring and regulatory supervision, to generate a 'performance culture' within social housing management (Mullins, 1997b). Performance incentives were introduced in order to motivate managers to act in more innovative and entrepreneurial ways, paying much greater attention to value for money and effectiveness of service provision.

The managerialist view of housing policy is that the influence of new public management principles resulted in an end to the bureaucratic paternalism of local authority hierarchies (Hambleton and Hoggett, 1987). As witnessed in a burgeoning literature about new public management (McLaughlin *et. al.*, 2002) housing organisations are seen as representative of a general 'paradigm shift' (Hughes, 1994, p.256) within the public sector to 'post-bureaucratic' forms (Hoggett, 1991). Influenced by the broad range of criticisms of public sector organisations, commentaries on the development of the housing association sector therefore assumed that change has meant an end to the paternalism of bureaucratic housing management (Power, 1988).

According to managerialist accounts, the housing association sector was perceived both by central government and housing practitioners as an ideal form of not-for-profit agency which could achieve organisational outcomes based on generic, private management models. Walker (2001) contends that the NPM theoretical framework 'has been shown to be a useful additional set of analytical tools and techniques to housing studies to explain the significant changes that are being witnessed to the management and organisation of the [social rented] sector' (p.693). Although acknowledging that the 'NPM nomenclature needs to be updated' (p.693) due to the growth of regulation, Walker continues to see the social housing sector as primarily governed by the twin NPM concepts of 'externalisation' and 'managerialisation' (*ibid.*). Thus 'externalised housing associations in England and Wales display stronger NPM characteristics than the municipal housing sector' (*ibid.*). Walker identifies a clear direction of change:

The impact of the NPM reforms and the use of private finance in particular, has been to drive organisational behaviour in a particular direction, promoting a business ethos and a performance culture (Walker, 2001, p.691)

This notion of managerialism, influenced by public choice explanations, has been widely accepted as the rationale for the transformation of housing associations. For example Boyne *et. al.* (2003, p.83) contend that 'public

choice principles have been at the centre of housing reforms in the social rented sector'. Walker also emphasises the individualist nature of the reforms:

The clear acceptance of public choice theory arguments indicates the political and ideological factors which have driven management reforms and attitudes towards social housing. These have played a strong role in determining the nature of policies (2001, p.690).

In retrospect the application of managerialist approaches into the social housing sector was viewed as highly effective in attracting competition into service delivery previously viewed as dominated by monopolistic providers.

These explanations have led to overly euphoric accounts of the sector which choose to see managerialist successes of housing associations as socially beneficial. For example, Klein and Day (1994) described housing associations as 'one of the outstanding success stories of the last twenty years' (p.18). The experience of housing association landlords helped to shape later private finance initiative (PFI) schemes. Seen as an arena wherein market testing has had the greatest impact (Walker *et. al.*, 2001) the housing association sector has become accustomed over almost twenty years (in some cases longer) to sustained competitive pressures. As will be shown in the thesis, these managerialist explanations have taken an idealised and over-optimistic view about the achievements of the sector.

Whilst the continuing relevance of hierarchy has been acknowledged in some explanations, it was seen as merely a residual consequence of traditional approaches to housing management:

hierarchical forms of organisation remain prominent through housing association and local authority provision and management. In many senses this is to be expected as it takes substantial time for new organisational paradigms to be established (Walker, 1998a, p.108).

It was therefore only a matter of time before the 'new organisational paradigms' of NPM embedded themselves into the sector. Others have been more critical of the impact of new public management (e.g. Sprigings, 2002),

suggesting that market-based reforms would inevitably result in diminished personal contact with residents. However, these critical comments have not led to the development of rigorous alternative analytical frameworks to discuss the sector.

Managerialist explanations ignore the more complex process of the management of change that has affected the sector. They fail to adequately explain the dynamics of change and do not sufficiently analyse the continuities and path dependent nature of organisational development. Moreover they fail to pay sufficient attention to the attitudes, norms and values of individuals and groups within housing associations. Managerialism can be said to rest upon an inherently modernist assumption about progressive change; it fails to account for the fact that change has not been in a linear direction. Processes of change have not been (as managerialists would expect) in the form of substantial disaggregation. In contrast, as will be shown, there has been an increase in central control, in regulation and a tendency for organisations to take advantage of economies of scale and to form group structures and mergers, in other words a re-emergence of hierarchalism.

2.2.4 Network theorists

An increasingly influential strand of explanation of the behaviour of housing associations can be found in literature drawing on public policy, governance and networks. The late 1990s saw an emergence of network models of policy coordination to supplement traditional dichotomies between hierarchy and markets (see for example Stoker, 1999). The less antagonistic relationship to the public sector of the Labour administration elected in 1997 and the focus upon community governance (for example, DETR, 1998a) suggests that individualistic and managerialist explanations have become outdated. The main benefit of a networked governance model is that it is capable of explaining the post-NPM fragmentation of public policy.

Network views contended that in place of orthodox management by monolithic local authority landlords, the environment in which housing associations operated was based on reciprocal relationships and partnership working. This environment relied on complex models of organisational behaviour wherein the potential for conflict and confusion was greatly increased as lines of responsibility became unclear, accountability was diffuse and boundary disputes were accelerated. The uncertainties of this institutional environment meant that organisational outcomes and consequences were increasingly difficult to determine.

These network approaches drew upon a wider literature wherein analysts of public administration have chosen to focus upon the shift from market to network forms of governance (Rhodes, 1996). Network structures emphasise the importance of interdependencies between varieties of organisational types. The importance of partnerships between public, private and voluntary sectors has become a central theme of much analysis of contemporary governance and has replaced two-tier models of central and local government systems. Hence the unitary state mechanism of post war welfare provision was replaced by a fragmented system of welfare provision within a differentiated polity. Network structures are therefore seen as increasingly important ways of understanding housing policy relationships in contrast to traditional hierarchy and market models of coordination (Thompson *et. al.*, 1990).

However, this literature has generally neglected to consider housing associations in any depth. For example in the leading journal on public policy (*Public Administration*) between 1997 and 2003, out of a total of two hundred and seventy-seven articles, only four considered housing policy, and only one (Mullins *et. al.*, 2001, to be discussed below) discussed housing associations in any meaningful way. Studies of local governance tended to focus on local and central government relations and were less comfortable with the voluntary housing sector (e.g. Stoker, 1999, 2002; Rhodes, 2000; Newman, 2001).

Moreover, general studies of the voluntary sector such as those of Davis Smith *et. al.* (1995), and Taylor (1994; 2003) mention housing associations in passing but fail to acknowledge their growing importance as a central component in a modernised welfare state. For example, Kendall (2003) includes a chapter on 'the impact of voluntary sector social housing' and argues that the success of the voluntary sector in housing is attributable to the failure of other sectors; that it is attractive as a 'late starter' and that it is remarkable for a freedom from resource insufficiency... (p.134). However, this approach tends to view housing associations in superficial terms, either making generalisations about their role (that it has considerable management improvements over others) and ignoring the wide range of organisational forms within different settings.

Despite neglect from a wider public policy literature, network approaches represent an increasingly common model applied within housing studies to explain changes to the social housing sector, acknowledging the increasing complexity and dynamism of contemporary housing policy (Reid, 1995). In this respect, housing associations were viewed as encapsulating a pluralistic approach, involving a variety of stakeholders in partnership arrangements; what Reid (1999) termed the 'new competition' where 'local housing services are now planned and provided through networks of organisations, necessitating the development and maintenance of effective cooperative interorganisational relationships' (Reid, 1995, p.13). The consequence is that 'there has been a fundamental alteration to the governance of local housing services as seen in the patterns emerging from the governing activities of the expanding range of actors involved in providing services' (Reid, 1999, p.129).

The new interorganisational approach to organising and delivering local housing services through joint working can be seen as based on policy networks based at local level, or 'local housing networks'. Local housing networks in turn comprise groups of different service providing organisations, some of which are 'independent' in that they are not regulated directly by the state, or they are part of the voluntary or the private sector (Reid, 1999, p.134).

Housing organisations were therefore part of a new style of coordination which relied less on the individualistic market styles of 1980s managerialism and more upon new forms of community governance, with housing associations playing a leading role as new providers.

The reframing of local housing services is read by many to constitute a discernible shift towards market principles of organisation and the incorporation of the 'new management'. In practice however, it has led to an intermediary position, between hierarchy and market, where network forms of coordination are being employed to secure this position (Reid, 1999, p.134).

As with managerialist explanations, network theories represent an unduly optimistic view of the sector; assumptions of a decrease in central control are not supported by empirical evidence. With regard to housing associations, the opposite may be the case, namely that there has been an exponential increase in large organisations, at the expense of smaller, community-based associations. Thus rather than a predominance of network structures, the re-emergence of hierarchy may be a more significant factor.

2.2.5 Institutional accounts

A final form of explanation of housing associations can be found in institutionalist theory. A variety of models of institutionalism can be identified, including 'economic', 'sociological' and 'historical' forms but the key insight of institutionalism is determined by the notion that 'institutions matter' and therefore they should be considered in explicit and systematic ways. Institutions do not merely constrain options but establish the criteria by which individuals discover their own preferences (Di Maggio and Powell, 1991b). . Institutions can be seen as 'political actors in their own right' (March and Olsen, 1984, p.738) and help to determine not only patterns of behaviour, but how individuals think (Stoker, 2004, p.71). Society is 'constructed, embedded and sustained in a range of institutional patterns of behaviour, norms and organisations' (*ibid.*, Lowndes, 2002).

Historical institutionalism is useful in the sense that it can explain organisational legitimacy and stability over time, despite what appear to be radical transformations. This concept helps to explain both continuities and change within the voluntary housing sector. The possibility of 'inefficiency in history' (March and Olsen, 1984, p.737) counsels against the notion of historical progress, the idea that there is an inexorable historical movement towards a more 'advanced' level. Evolution, through a historical process of improvement, can be seen as a feature of many contemporary, 'modernist' management approaches. Managerialist explanations have advanced the view that change represents an inevitable process of organisational improvement towards more innovative and creative approaches. In contrast, organisational change taking contradictory and diverse forms, many of which are detrimental to long-term organisational effectiveness.

In particular, historical institutionalism can help to explain organisational change through the concept of 'sedimentation'; a gradual process of building upon and developing previous historical foundations. For example, organisational identities of housing associations are developed through the process of building upon organisational history, values and traditions. Furthermore, seeing the process of institutionalisation as value-laden, adaptive and responsive reflects both values of internal groups and the external environment (Perrow, 1979, p.167). The notion of a housing association 'movement' reflects a complex range of normative and descriptive assumptions about its role and purpose.

Institutional theory illustrates how structural arrangements are reproduced as individuals are unable to conceive appropriate alternatives or because the alternatives are viewed as unrealistic. Patterns of behaviour create 'path dependencies' or 'processes in which choices made in the past systematically constrain the choices open in the future' (Pierson, 2001, p.306). The value of a historical approach is that it can allow detailed case studies of the way in which processes of policy development have developed over time through institutional change and stability (Hudson and Lowe, 2004, p.150).

An example of the influence of institutionalism in the analysis of housing policy can be found in Lowe's (2004) textbook discussion. He contends:

The case of British housing policy, and where it fits in relation to other comparable nations, is replete with ideas drawn from the historical institutionalist literature, and through this lens it is possible to see more clearly the forces that have shaped the direction of policy (2004, p.20).

Similarly Lowe maintains 'practically all current policy is the product of, or closely related to, past policy, which inevitably impinges on its design and social purpose. Housing is inherently very "path dependent"' (p.21). As with historical accounts, Lowe therefore stresses the importance of providing a background and context to contemporary decision-making processes. Unlike writers such as Malpass however, Lowe acknowledges a greater extent of continuity or what institutionalists call 'sedimentation' of organisational form and policy outcomes. As Hudson and Lowe (2004) maintain:

The lessons that can be drawn from the historical institutionalists' work are hugely important: that history matters; that institutions foster stability and mobilise bias; that policies display increasing returns and path dependencies; that institutions frame the rules of the game and so fundamentally influence the nature of the policy process and the outcomes it tends to produce (p.161).

With specific regard to housing associations, Mullins (1997a; 1999) and Mullins and Riseborough (2000) incorporate institutionalist ideas, suggesting that housing associations have been incorporated in a modernised welfare state through a process of 'isomorphism' (Mullins and Riseborough, 2001, p.156). Pointing to a wider picture, Mullins and Riseborough offered a vague and imprecise conclusion:

The research supports post-structuralist critiques which contest the notion of the state as a unified, albeit contradictory and complex entity. Instead we interpret the state as disconnected and erratic and politics as a set of contests over meaning (2001, p.167).

An attempt to provide a more explicit theoretical basis to analysis of the voluntary housing sector was found in the aforementioned study in *Public*

Administration by Mullins *et. al.* (2001). Mullins *et. al.* advocated a 'theoretical refocusing around a tripartite framework which draws upon new institutionalist economics, strategic management and institutional theory' (p.600). This approach offered an advance on earlier models of new public management as it acknowledged:

Housing organisations can be said to have extended their competence beyond the new public management by equipping themselves with ongoing adaptive strategies designed to maintain their collaborative advantages within the framework of the 'new competition' (p.607).

Mullins *et. al.* correctly state that 'housing research has not yet critically addressed this changing world' (p.621) and acknowledge that simplistic NPM approaches are outdated:

The governance and organisation of the sector has moved away from the single model of the traditional hierarchical form of organising that typified the British public sector towards a menu of new combined forms of governance and coordination which draw on hierarchy, but also on market and network principles (p.620).

However and despite their stated objectives, institutionalism has not been systematically applied to the social rented sector. Although ostensibly based on empirical research, the work of writers such as Mullins *et. al.* has functioned primarily at an abstract level and was not based on detailed case study research. The writers admitted that their study constitutes an 'exploratory review of the application of these theoretical ideas' (p.621) and concluded that 'further research is needed' based on 'rigorous empirical work'. The eclectic combination of economic theory, management practice and political science can illustrate some of the tendencies in the social rented sector but does not pay sufficient attention to the complex dynamics of change. Institutional theory has a role in pointing to historical dimensions of change but is less successful at explaining variation over time.

It is clear that discussions of organisational change and stability benefit from a theoretical approach that can make sense of structure and agency. However, whilst institutionalism may represent a useful starting-point (for example in

highlighting the path dependent nature of change) it is less successful at illustrating how organisational change operates at a practical level. It also fails to account for organisational differentiation. Moreover, it largely fails to illustrate how values and attitudes play a role within specific organisational contexts. Whilst institutions are seen as important, the theory fails to provide the tools to determine how they may be different from one another, and here the concept of 'culture' needs to be introduced to explain organisational behaviour. For example, Peters' (1999) analysis of institutional theory in political science fails to mention the notion of 'culture'. Institutionalism can provide a limited analytic framework but it has not been substantiated through practical examples of housing organisations. What is therefore needed is a more detailed illustration of the relationship between structure and agency through a model that considers cultural relationships. The importance of culture is that it allows us to understand the DNA of organisations. It is therefore possible to 'map the genome' of organisational change by considering responses within organisations at different levels across periods of time. The present study therefore seeks to integrate the insights of institutionalist theory with a broader analysis of cultural change in social housing organisations.

The above discussion of housing associations illustrates the need for the sector to be complemented by a more rigorous theoretical approach than hitherto. It is contended that the most useful theoretical approach is grid-group cultural theory.

2.3 Applying cultural theory

The above discussion has shown that whilst there are an increasing number of studies of the housing association sector post 1988, there is little systematic discussion of organisational change or attempt at classification of the sector. There are no detailed discussions to date of the different forms of organisation and how they have changed from the inside which can allow an understanding the DNA of the sector.

This thesis maintains that cultural theory can supply such a framework for exploring social relations within housing association environments offering an opportunity to analyse organisational behaviour, based upon an understanding of patterns of preference formation, values, attitudes, norms and judgments amongst individuals and groups.

Cultural theory examines organisational change as the response to four main approaches to social organisation. The advantage of cultural theory is its ability to circumvent traditional dichotomies between structure and agency. Thus there is a symbiotic relationship between structure and culture: 'culture is an important source for the formation and sustenance of social institutions and vice versa' (Lockhart, 1999, p.868). The premise of cultural theory is that: 'People choose their preferences as part and parcel of the process of constructing - building, modifying, rejecting - their institutions' (Thompson and Wildavsky, 1986, p.276). Institutions are thus inherently connected to values and attitudes towards social organisation; organisational 'cultures' are determined by patterns of preferences and social relationships amongst organisational actors.

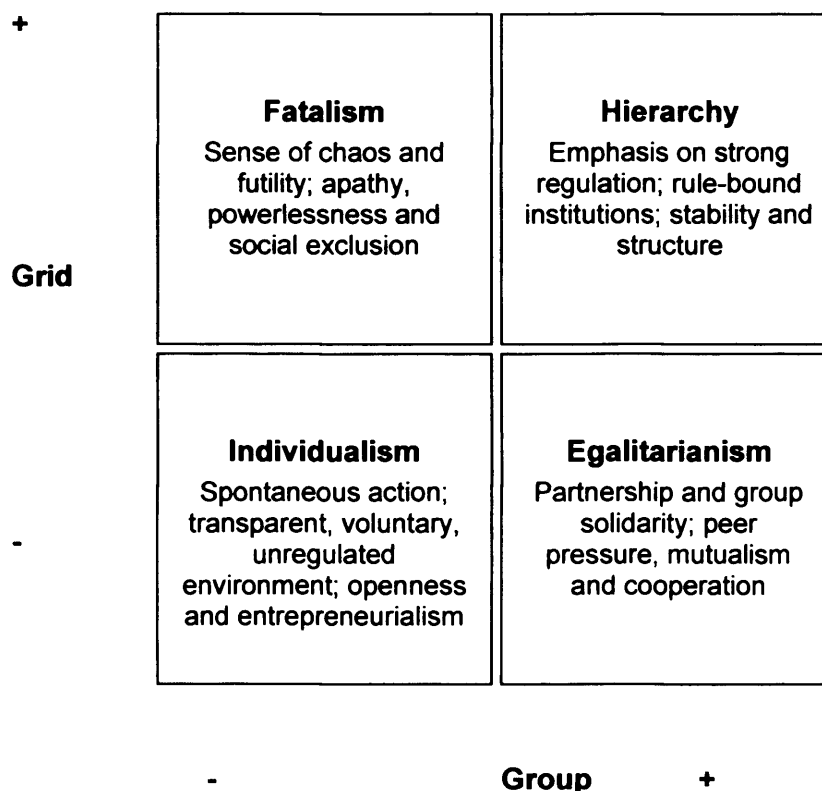
Whilst cultural theory shares a focus on 'taken-for-granted' assumptions within institutional theory (Di Maggio and Powell, 1991b) it is better equipped than institutionalism to account for organisational change as it focuses attention on the conflicts between these fundamental 'ways of life'. Change occurs when the cumulative impact of successive external shocks disturbs the expectations generated within a 'cultural bias'.

Making use of Durkheim's (1951, ch.5) concept of 'regulation', cultural theory identifies two sets of constraints on human action on the basis of Douglas's (1982) analysis: 'grid' and 'group'. 'Grid' stands for rules and constraints and examines the extent to which social life is circumscribed by convention, regulation and rule-governed behaviour, characterising the pervasiveness of conventions. A high grid environment is characterised by an 'explicit set of institutionalised classifications that keeps individuals apart and regulates their interactions' (Douglas, 1982, p.203) and determines levels of autonomy

allowed within social structures. In contrast 'group' measures 'the extent to which an individual is incorporated into bounded units' (Thompson *et. al.*, 1990, p.5); that is a tendency to form collective or collaborative relationships. Group identity sees individual choices as modified by collective decisions based on ties of solidarity, cooperation, reciprocity and mutuality.

From this dualist starting-point four different cultural biases are identified: *hierarchy* (high group and grid), *egalitarianism* (high group, low grid), *individualism* (low group and grid) and *fatalism* (high grid, low group). The thesis will show that each of these has a strong applicability to the housing association sector at different points in time, something that has not been explicitly acknowledged by other writers. Although some writers identify a fifth category (the *hermit*) resting outside the classifications (Thompson, *et. al.*, 1990), this will not be considered in the present study as by definition a hermit does not operate within an organisational setting.

Figure 2.1 Grid-group cultural theory



Sources: Douglas, 1982; Thompson *et. al.*, 1990; Stoker, 2004, p.72.

Egalitarians in general terms adopt an optimistic view of human nature, believing that individuals are innately virtuous but are corrupted by evil institutions. The central value for egalitarians is the concept of 'equality'. However, the development of an egalitarian ethos creates a number of inherent difficulties:

Because these groups lack internal role differentiation, relations among group members are ambiguous and resolution of disputes is difficult. Because adherents are bound by group decisions but no one has the right to tell others what to do, consensual decision-making is preferred, and schisms may result when the decision process breaks down (Ellis and Coyle, 1994, pp.3-4).

Role definition within a group environment is inevitably imprecise and regulations for resolving disagreements are necessarily indistinct. Alliances between groups are therefore exceptional, as absolute consensus is a necessary condition for effectiveness (Chai and Wildavsky, 1994, p.166). In organisational terms, 'accountability' is highly praised and is negotiated amongst collective members based on the presumption of equal status. Hence the 'participation, with decisions based on the direct consent of everyone, is the only basis for legitimacy' (Thompson *et. al.*, 1999, p.4). Within contemporary housing practice, a strong focus on democratic accountability is presented as a key measure of organisational effectiveness, measured by an audit process determined by solidaristic societies. As will be demonstrated, egalitarianism represents an important strand of the contemporary housing association sector, expressing the conscience of the movement through the management committee as the conduit of an egalitarian ethos. Many housing policy initiatives since 1997, particularly in the field of regeneration, are founded upon egalitarian assumptions about cooperation, partnership, trust and mutuality.

In contrast, an *individualist* or *libertarian* cultural bias maintains that humans are inherently self-seeking. An individualist culture requires a social context in which prescriptions and group boundaries are weakly enforced. The central values of an individualistic culture are freedom, choice and flexibility. Due to

an absence of either regulations or group constraints, actors exercise significant autonomy to enable them to freely negotiate contractual relationships and 'make their way up and down the ladder of prestige and influence' (Thompson *et. al.*, 1990, p. 262). Individualists are innately hostile to any increase in prescriptions or group pressures as these would be perceived as circumscribing opportunities for bargaining and would minimise the potential for self-regulation (*ibid.*). The free market is the most obvious example of an organising system that aspires to individualist principles (*ibid.*). Individualists fail to see any conflict between self-interest and collective benefit, as they believe that 'self-interested actions in a system of open exchange maximise the welfare of all' (Chai and Wildavsky, 1994, p.165). Organisational change during the 1980s through various forms of 'new public management' (NPM) can be seen as introducing considerable scope for individualism to flourish in contrast to previous hierarchical models of public administration (Hood, 2000; Lane, 2000).

An individualist approach to management is evident in many influential (modernist) prescriptions for the voluntary housing sector, placing a high value upon risk-taking and creativity, encapsulated in the notion of housing association managers as 'social entrepreneurs' (Leadbeater and Goss, 1998). Such individualism is strongly resonant in contemporary management strategies, represented by a desire to develop risk-taking capacities in order to allow innovation and creativity to flourish. A feature of the restructuring of contemporary housing policy has been the 'individualisation of risk' through an extension of home ownership at one end of the social scale and the increased risk of homelessness at the other (Nettleton and Burrows, 1998). As will be shown, the permeation of competition throughout the voluntary housing sector has fundamentally changed behaviour from a cooperative endeavour to interorganisational rivalry.

As the usual counterpoint to individualists, *hierarchists* believe in a need to regulate, discipline and restrain what they view as opportunistic behaviour. Hierarchies are 'characterised by strong group boundaries and binding prescriptions'. The values held by hierarchists include: an emphasis on

universalism above particularism; deference to superiors and the maintenance of order (Thompson *et. al.*, 1990, p.262). For hierarchists administrative procedure is adopted as a key value in order to ensure uniformity and standardisation through due process. Hierarchists value highly stratified social relationships and believe in a natural process of inequality, wherein status is earned on the basis that certain groups have obtained greater levels of knowledge, skills and experience than others. Rewards are therefore distributed and deserved according to a 'fair' process, based upon transparent principles. A hierarchical model of organisation implies 'unequal roles for unequal members and deference towards one betters matched by noblesse oblige on the part of superiors' (Ellis and Coyle, 1994, p. 3). Hierarchists 'maintain their group unity through rigidly prescribed rules that can be attached to formally designated roles of unequal status and power' (Chai and Wildavsky, 1994, p.166). Hierarchists therefore defer to 'rational-legal' authority and are commonly associated with classic, bureaucratic organisational structures (Weber, 1947). The structure of many traditional public sector organisations as large, uniform, standardised 'machine bureaucracies' (Mintzberg, 1983) provides clear examples of classical hierarchical administrative forms. The organisational values adhered to within hierarchical organisations include: procedural justice; efficiency in carrying out routine tasks and management on the basis of standard operating procedures.

Much of the classical debate within public administration has been conducted on the basis of an attempt to settle disputes between hierarchists and individualists. The different biases in housing organisations reflect this distinction. Thus, the traditional housing management approach has been severely criticised for its strongly hierarchist dimension: 'top-down solutions do not relate effectively to people's perceptions of what is wrong' (Young, 2000, p.183). Local authority housing policy has often been presented as a classic example of hierarchical structure, dominated by rigid departmentalism, lacking effective coordination, and managed by professional interest groups (such as architects and town planners) (Power, 1987).

The final and most distinctive feature of cultural theory is the *fatalist* way of life. A fatalist is a person who:

finds herself subject to binding prescriptions yet excluded from membership in the group for whose welfare decisions are made. She may have little choice about how she spends her time, whom she associates with, what she wears or eats, or where she lives and works. The fatalist, or isolate, endures the social isolation of individualism without the autonomy, the constraint of hierarchy without the support of a loyal group (Ellis and Coyle, 1994, p.4).

Fatalists believe human nature is unpredictable. 'Never knowing what to expect from others, fatalists react by distrusting their fellow human beings. This suspicious view of human nature justifies their fatalistic exclusion from the other three ways of life' (Thompson *et. al.*, 1990, pp.34-5). Fatalists tend to act upon the metaphorical assumption of 'life as a lottery', viewing events as arbitrary, capricious and outside the control of human agency. Fatalists thus 'see their behaviour as completely constrained by unvarying forces within their environment' (Chai and Wildavsky, 1994, p.164) and consequently see themselves as powerless to shape outcomes. Fatalism is a 'learned response to a social environment in which there is only a tenuous connection between preferences and outcomes' (Ellis, 1994, p.127). Driven by a sense of powerlessness where individuals are both subject to severe constraints and denied the opportunity to influence events through collective endeavour, fatalists will often tend towards conspiracy theories of organisational change, where consultation is seen as tokenistic, symbolic and largely meaningless. 'What distinguishes fatalists from adherents to other ways of life is not the desire for a better life but the feeling that fate and society conspire to prevent them from improving their situation' (Ellis, 1994, p.132).

Fatalism can be seen as a judicious response to certain organisational situations where individuals perceive themselves to be powerfully constrained by rules and regulations, yet without any strong collective bonds to their colleagues.

A fatalistic bias can flourish only where social institutions sustain that bias as an adaptive and rational posture. In a world in which there are no escapes and few rewards, passivity and resignation are more rational and adaptive than the individualist's incurable entrepreneurial optimism (Ellis, 1994, p.132).

Believing they have little or no control over events, the only rational strategy for fatalists is to 'minimise the expenditure of resources and to act in a noncooperative manner no matter what the circumstances' (Chai and Wildavsky, 1994, p.164). Within social policy, fatalism manifests itself through concepts such as the development of a 'culture of poverty' (Lewis, 1966) or 'dependency culture' (Dean and Taylor-Gooby, 1992). A widespread response adopted by individuals and groups located within a fatalist culture is a strategy of 'quiescence' (Dunleavy, 1977).

Front-line staff in particular are susceptible to fatalism. Fatalists 'do the minimum amount of work necessary to retain their jobs, and they do not voluntarily comply with any attempt to alter their routines because they see such changes as plots to reduce their standard of living' (Chai and Wildavsky, 1994, p.164). As will be shown, such attitudes are common-place amongst experience of front-line housing association workers, serving as a crucial 'reservoir of social discontent' (Lockhart, 1999, p.869).

As Hood (2000) contends 'grid' and 'group' are 'central to public management' (p.8); the four social solidarities can be seen as permeating organisations like letters running through a stick of Blackpool rock (Thompson *et. al.*, 1999, p.9) helping to understand how decisions between alternative courses of action are made; how performance can be evaluated; why organisations adopt particular structures and how they respond to changes in the external environment. Cultural theory has a particular relevance in analysing claims about 'modernisation' advanced by proponents of 'new public management'; namely that modernisation does not necessarily equate with beneficial change and progress (Hood, 2000, p.206). Cultural theory helps to explain why housing associations have taken certain decisions in relation both to their

historical origins and their future sense of corporate identity and how organisational change will result in unanticipated consequences.

2.4 Cultural relationships and organisational change

One of the main benefits of cultural theory is that it allows consideration of unintended policy consequences and understanding of the dynamic effects of cultural clashes. The polar opposites are mutually reinforcing with each dependent on the other. Cultural theorists claim that these opposites provide a comprehensive and universal classification of cultural possibilities. The different ways of life are sustained and defended by individuals in order to maintain a meaningful interpretation of everyday life.

Cultures are developed and sustained in contrast to alternative options. 'If one culture is to stay distinct, it needs to be defined in opposition to other cultures' (Douglas, 1996, p.42). Thus, each has its own strengths and weaknesses but the differing cultures exist 'in a state of mutual antagonism in any society at all times' (*ibid.*, p.43). This suggests that the organisational identity of the housing association sector is as likely to be encapsulated in negative as in positive terms; historically this identity has manifested itself as providing an alternative to the inflexibility of bureaucratic municipal landlords.

At the same time, no single cultural bias is likely to be dominant at any one point in time. Just as no individual will be exclusively an egalitarian or individualist, institutions contain different cultural elements existing in contradistinction from one another. Indeed, cultural theorists maintain that to adhere to one single bias will be unsustainable over any period of time. For example, egalitarianism taken to extremes will result in control by elite groups; adherence to hierarchy can lead to charismatic leadership, which is a feature of individualism. Cultural theory suggests that beyond a certain point convergence on a single management model is not only implausible but also impossible. Each of the available options has strengths and weaknesses, but 'incompatible administrative values cannot be pursued simultaneously...and none can ever win over its competitors by a knock-out' (Hood, 2000, p.20). As

applied to the housing association sector; the varieties of cultural influences impose increasing tensions and organisational conflict endemic.

If cultural theory can be shown to have a relevance to contemporary housing organisations, one of its key insights will be to explain organisational change as the result of inevitable competition between rival views of the world. For example, fatalists play a central role in the other cultural biases, mainly as a warning against other competing doctrines.

All marginal groups, whether the poor, the underclass, the homeless, or the proletariat, are vitally important in the contest between rival cultures. If the poor lack the talent, industriousness, or character possessed by the more successful members of society, the successful entrepreneur can justify his own position and the system that placed him at its apex. If these groups are systematically oppressed by the dominant groups, they stand as a permanent indictment of the injustice of the current regime. The meaning of the downtrodden's experience is thus contested and constructed by others in order to advance their preferred ways of life (Ellis, 1994, p. 119).

Hierarchical organisations have been most vulnerable to sustained assault from the NPM models which have been strongly influenced by theories of 'budget maximisation' (Downs, 1967; Niskanen, 1971; 1973) and 'rational choice' (Buchanan and Tullock, 1962); frameworks which have themselves been based heavily upon (individualist) assumptions of 'self interest' (Dowding, 1991; Dunleavy, 1991). Within housing policy, the zenith of hierarchy was a modernist desire to create Utopian solutions to social problems, implemented through municipal authorities as agents of public policy (King, 1993). Following Coyle (1994, p.35) who looked at environmental policy, table 2.1 sets out how cultural theory can be applied to an analysis of contemporary housing policy.

Table 2.1: Housing interventions and cultural theory

	Hierarchical	Egalitarian	Individualist	Fatalist
Key value	Order	Equality	Liberty	Apathy
Key actors	Professionals	Citizens	Consumers, customers	Clients
Response to uncertainty	Centralise, expertise, standardisation, uniformity	Decentralise, simplify, participate	Market discovery, competition, choice	Withdrawal, alienation, social exclusion
Ideal community	Everything in its place, representative institutions	Self-sufficient, empowered, cooperative	Prosperous, independent	No ideal state
Models of social housing	Stuctured intervention, estate renewal, legislation	Fair share requirements, neighbourhood management	Selectivity, targeting, filtering, choice-based systems	Coercive, atomistic, punitive, dependent

Source: adapted from Coyle (1994, p.35)

The table illustrates how a cultural analysis helps to categorise a range of interventions in housing policy. These interventions can be classified on a scale from high intervention (hierarchy) to negligence (fatalism). As the table shows, within each way of life can be found examples of housing management intervention. As mentioned above, each way of life is in conflict with the other but at the same time the alternative ways of life are required in order to justify and legitimise other cultural biases 'either to make up for deficiencies, or to exploit, or to define itself against' (Thompson *et. al.*, 1990, p.203). The divergent ways of life therefore define themselves by contrast with the others. Furthermore, each bias has both strengths and weaknesses or 'Achilles heels' (Hood, 2000, p.28). Thus:

we tend to formulate ideas about reform through a process of reaction against what we see as an unsatisfactory status quo, rather than beginning the process of institutional design from a genuinely "zero base" (Hood, 2000, p.11).

Cultural theory is particularly useful when applied to an environment of organisational change. Unlike institutionalism it presents a theory of change as a *ubiquitous* feature of organisational behaviour (Thomson *et. al.*, 1990,

p.83). The 'relative strengths of the rival ways of life are...constantly ebbing and flowing but no way of life ever wins' (p.83).

As housing associations operate within an environment which has been described as undergoing revolutionary change since the late 1980s, through the restructuring of tenure, the abolition of the traditional local authority provision role and sizeable growth of influence, this model of organisational change is particularly appropriate. For housing associations conflicting values and attitudes are manifested in continual dilemmas about organisational expansion, geographical retrenchment, the definition of management functions and institutional identity.

These ideas have a strong resonance within a sector characterised by 'discontinuity' (Malpass, 2000b) and ambivalence. As mentioned earlier, there have been widely differing accounts of the extent of organisational change with some writers viewing the sector as almost unrecognisable (Malpass, 2000a, p.270) and others denying that substantive organisational transformation has occurred (Cope, 1999, p.345). Cultural theory can provide a more convincing model of organisational transformation in the housing association sector than existing accounts by offering more substantive explanations of the unintended consequences of managerial reforms.

2.5 Overcoming the criticisms of cultural theory

The above discussion has outlined the main justification for selecting the cultural theory framework to apply to a study of organisational change in the housing association sector. However, a number of criticisms of the cultural theory model should be considered. The first criticism is a lack of detailed empirical application, which has led Sabatier (1999) to argue that the model has not been fully worked out.

However, this criticism ignores insights cultural theory has brought to a number of areas such as the management of risk (Douglas and Wildavsky, 1982; Adams, 1995), environmental policy (Schwarz and Thompson, 1990),

the analysis of public administration (Dunleavy and Hood, 1994) and traffic policy (Hendriks, 1999). Cultural theory has also been applied to an analysis of local governance (Stoker, 2004). Although two studies have attempted to apply cultural theory to housing policy (Jensen, 1998; Perri 6, 1998) such studies have been narrowly focused on egalitarianism (in the case of Jensen) and the issue of risk (Perri 6). Cultural theory is thus becoming an increasingly important tool of contemporary political science which can have a clear utility to the housing association sector.

The work of Hood (2000) has provided an important illustration of the application of cultural theory to public management. Hood contended that it 'can be applied in a very direct and practical way for identifying and thinking about a range of polar control processes in public management' (Hood, 2000, p.223). He saw cultural theory as providing a framework for creative thinking about different approaches to organisation and a guide to the diversity of practical ideas within management theory. However, the weakness of Hood's study is that it is conducted at a relatively abstract level; there is little discussion of the application of these ideas within specific organisational contexts and by reference to specific actors.

The current thesis further develops existing empirical applications of cultural theory. It shows how an analysis of organisational change within a particular organisational context reveals how hidden assumptions, justifications and preferences help to determine organisational direction, based on historical reasons and cultural values, many of which are overlooked in discussions of organisational development. In particular it explores what constitutes the DNA of housing associations through a detailed analysis of responses to the 1988 changes from a variety of perspectives, including those of senior staff, middle managers and front-line workers.

A second criticism that can be levelled at cultural theory is that the typology generates excessive simplification by attempting to place individuals and groups into narrow and limiting categories. However, cultural theory does not consider the types as 'boxes into which individuals must be fitted but rather

modes of argument and perspectives that individuals choose among as they justify their lives to themselves and others' (Ellis and Coyle, 1994, p.11; Coyle, 1994). It therefore does not simply adopt a classification of psychological types; individuals will fall within a variety of cultural behaviour within a single week, let alone a lifetime (Stoker, 2004, p.73).

The different cultures therefore do not constitute sharply defined groups of individuals, but different points of views or 'cultural biases', offering predispositions to certain forms of behaviour and preferences for particular organisational forms in which the adversarial element is central: 'each culture in this analysis is thought to be strongly in competition with its alternatives' (Douglas, 1997, p.128) .

Cultural theory can shed light on the multiple forms of rhetoric deployed within contemporary management practice (*ibid.*) Douglas (1997) overcomes the criticism of simplification by presenting the notion of culture as dialogue, but one which is driven by the principle of adversarial competition. 'Think of culture as essentially a dialogue that allocates praise and blame. Then focus particularly on the blame' (Douglas, 1997, p.128).

Cultural theory maintains that there are no inherent measures of organisational success or failure, each is a judgment made within the context of a specific cultural bias. Thus: 'catalogues of blunders and dysfunctions in public management are often cited, but what cultural theory can do is help to clarify who sees what as crippling failures and what kinds of organisations are predisposed to what kinds of failure' (Hood, 2000, p.13). Thus: egalitarian cultures are vulnerable to schisms that are notoriously difficult to resolve; hierarchalist cultures have a tendency towards rigidity and inflexibility; individualistic cultures are at risk of corruption and fatalists are liable to organisational inertia.

The charge of simplification can be overcome by demonstrating that the classifications of cultural theory allow an understanding of the complexity of different organisational types in the housing association sector. It is

particularly important to be able to provide some kind of explanation of organisational change in the housing association sector; as shown above most discussion to date have simply assumed that as there was such a wide variety of organisational forms that any kind of generalisation would be futile. Consequently concepts and classification are desperately needed in this area. These concepts also provide a means to understand organisational behaviour and responses to change. The thesis maintains that the cultural types provide a basis for understanding organisational development at different periods of time; in particular how founding principles of the sector were based on a culture of individualism; how a new wave of organisations in the 1960s emerged on the basis of egalitarian values; how the 1970s saw an emergence of hierarchy and how fatalism became associated with housing associations in the 1980s. This combination of cultural values provided a basis for understanding the organisational changes after 1988.

2.6 Conclusion

This chapter has considered existing approaches to the housing association sector and housing management practice and shown the limitations of these models. The first and most common explanation of the sector has come from practitioner accounts which are by definition atheoretical and obsessed with best practice recommendations which can be applied wholesale to the sector. The second form of explanation has come from historical accounts which have either been based upon distinct organisations or have relied on a concept of 'discontinuous' change. These historical accounts have resisted drawing generalisations or classifications of a diverse set of organisations.

Managerialist models represent a third form of explanation which have pointed to some of the trends since the 1980s but have neglected to explain the complexity of organisational change. Managerialism tends to assume a culture of individualism has developed in the housing sector as a new organisational paradigm, distinct from local authority hierarchy. Moreover managerialist models adopt a highly normative and over-idealised approach to organisational change.

In contrast, network theorists have assumed that a more egalitarian organisational culture has developed through the development of partnership arrangements and new forms of urban governance. These accounts also share a tendency towards idealisation of the post NPM fragmentation of the housing sector.

Finally institutionalists have provided accounts of historical development and have used models to path dependency to effect to explain organisational change and stability, yet they also have neglected the impact of culture and thus experience difficulty in accounting for change within an organisational context.

What the above accounts share is an emphasis upon how housing associations have replaced bureaucratic local authorities and are seen as representative of a general paradigm shift in public sector management to post-bureaucratic forms of organisation. These approaches rest on the premise that organisational change has been in a low grid direction. Whilst this assumption reflects the rhetoric of organisational change (for example through NPM models and discourses of partnership and innovation), as will be shown these notions are not borne out in empirical analysis. In particular the above accounts fail to provide an explanation of organisational change *from the inside*. An understanding of cultural change therefore requires a framework that can consider the different and competing cultural attributes within the social housing sector.

In order to understand the diverse manifestations of organisational change cultural theory can provide an analysis of the different approaches to housing management practice that acknowledges conflict, consensus and variation. The use of cultural theory makes it possible to place both historical and contemporary debates within specific organisational contexts. Acknowledging the inevitability of conflict between the competing approaches, it allows us to understand problems and dilemmas faced by housing managers more clearly. The theory helps to explain the bewildering range of historical and current

debates about effective management within the public sector (Hood, 2000). Situating management thinking within a geographical and temporal context, it offers a framework for the analysis of organisational behaviour within housing associations.

The value of the application of cultural theory to housing associations lies in its acknowledgement of the strengths and weaknesses of the different ways of life. Thus, individualism offers the possibility of improving incentives through rigours of competition, but can result in a lack of trust and demoralisation (particularly where targets are set at unrealistic levels). Egalitarianism offers a commitment to equity and is often seen as a valuable objective by staff. Egalitarian cultures stimulate debate but in practice achieving consensus is difficult and there are insufficient mechanisms to resolve deep-seated conflicts. Hierarchy ensures predictability and standardisation, with an emphasis on entitlements. However, it also entails rigidity and inflexibility. Fatalism is a neglected but important feature of housing management practice. It may appear negative, engendering increased levels of hostility and suspicion. However, fatalism may prove a judicious response to a bewildering level of management change and help to counter some overstated claims made about the benefits of organisational change. Each of these cultural biases has important implications for housing organisations and the management of change.

As an uncertain and contested profession, housing management offers wide scope for analysis. In looking at this area of housing practice, this thesis aims to overcome some of the criticisms levelled at cultural theory, namely that it does not have a clear empirical application and is over-simplistic. In contrast this thesis provides empirical evidence to which the theory can be applied. In particular, cultural theory helps to avoid simplistic explanations of organisational change in the housing association sector. The following chapters therefore provide the historical background and empirical evidence to understand the variety of management change in the housing association sector.

Chapter 3

THE FOUNDATIONS OF THE HOUSING ASSOCIATION 'MOVEMENT': A CULTURAL AND INSTITUTIONAL HISTORY

...the environment in which community and voluntary groups operate is not a rational one. Indeed there is a case for arguing that the unique selling proposition of the voluntary and community sector is its very unpredictability; that there should be space for chaos in a universe in which too much is already being pinned down for evaluation and measurement (Deakin, 2001, p. 33).

3.1 Introduction

The voluntary housing sector has often been viewed in idealistic terms (Garside, 2000, p.2) with writers minimising its weaknesses and overstating its strengths. Often viewed as 'the acceptable face of social housing' (Kleinman and Roberts, 1991), there has generally been a neglect of critical views of the sector with housing associations viewed as philanthropic, charitable agencies run by well-meaning benefactors. In a period when housing associations played a marginal role in housing provision, the neglect was unimportant, but is no longer justifiable at a time when they have assumed a position as the main providers of new social housing. The intention of this chapter is therefore to understand the various influences that constitute the organisational DNA of the sector. Looking at organisations in the London area, it considers the significance of the diverse origins, ideologies, cultural influences and individual and collective values that have served to constitute organisational identity.

The chapter has two main objectives. The first is to outline the cultural history of London housing associations, offering definitions and an account of the institutional history of distinct organisational types. Corresponding to the biases of cultural theory, the discussion identifies four different periods of organisational development. Whilst each of these phases contains evidence of other cultural biases, the decades under consideration are identified by

dominant values and attitudes within the sector. Thus, individualism comprised the first phase, represented by the philanthropic organisations founded in the 1880s and continuing with the small number of housing associations founded in the inter-war period. A second influential phase comprised egalitarian organisations, emerging with the housing associations founded in the 1960s and continuing amongst a black and minority ethnic housing sector in the 1970s. The third phase saw an emerging hierarchalism as government became more closely connected to the sector in the 1970s. Finally the 1980s saw an increasing sense of fatalism due to a changing resident profile and more challenging management task.

The second objective is to outline the reforms instigated by the 1988 Housing Act, which brought to an end an age of innocence for the housing association sector, in bringing these organisations to the centre stage of housing policy and introducing the classic managerialist principles of *competition*, *disaggregation* and *incentivisation* to the sector. This injection of individualism therefore needs to be understood against the background of a complex sector comprising the four main cultural biases.

3.2 The Historical Neglect of the Voluntary Housing Sector

The significance of housing associations in policy terms is a relatively new development. Described as 'an almost forgotten corner of the housing system' (Harloe, 1995, p.290) until the 1980s the standard view of housing associations was that they filled the gaps where public and private housing had failed to meet need adequately. Associations therefore occupied a complementary but firmly supplementary role as a 'second best option' (Best, 1997, p.103) behind municipal provision and 'tolerated rather than encouraged' (Malpass, 2000a, p.265) by post-war governments.

The historical neglect of the sector emanates, in part from the exclusion of housing associations from the post-war welfare state after 1945 (Garside, 2000, pp.72-3). Two main reasons have been advanced for the marginalisation of the voluntary sector from mainstream housing provision.

First, local authorities were chosen as the preferred vehicles to achieve central government objectives at a time of widespread need (following two world wars) as they were viewed as more easily controlled than voluntary sector organisations. Secondly, the voluntary sector itself lacked ambition and did not see its function as a large-scale housing provider (Best, 1991, p.143). Both of these assumptions are no longer valid. In conjunction with a wider set of trends in social policy, where 'the voluntary and for-profit sectors are expected to substitute for state delivery' (Taylor, 1994, p.64) government policy since 1988 has sought to promote the voluntary sector as the main provider of new social housing. Housing associations have themselves enthusiastically embraced their role at 'centre stage' (Langstaff, 1992) of contemporary housing policy.

3.3 A Cultural History of the Sector

Four central themes can be identified corresponding to broad periods in the development of the sector. Although there is no strict delineation of the different periods, they serve as a useful explanatory device to illustrate how the sector developed over the course of the twentieth century.

3.3.1 Individualism: a philanthropic sector (1890 to the 1960s)

There originally existed two main types of housing organisation at the end of the nineteenth century: the model dwellings companies and the charitable trusts (Malpass, 2000b, p.198). Although the model companies no longer exist, their description as '5 per cent philanthropists' referred to the expected return on their investment (Tarn, 1973). Depicted as 'near capitalist' organisations (Garside, 2000, p.64) these landlords demonstrated a strong commercial bias.

The end of the 19th century saw a significant growth of housing activity, motivated by concern about overcrowding, health and sanitary conditions amongst the working-class (Gauldie, 1974) and London has been seen as the

'heartland' of the second type of organisation, the philanthropic trusts (Morton, 1991, p.30):

The work of the philanthropic trusts set an example of what could be achieved in terms of the improvement of living conditions for the 'labouring classes' at a time when state action on welfare was still anathema to political leaders and the philosophy of *laissez-faire* prevailed (Cope, 1999, p.8).

The larger philanthropic organisations such as Guinness and Peabody relied on a lower rate of return than the five percent commercial philanthropists (Garside, 2000, p. 52) and these organisations were seen to have a detrimental effect upon the smaller commercial organisations as their size and economies of scale enabled them to outbid competitors (Garside, 2000, p. 53). A key objective for these organisations was that housing for the working class groups could be 'sanitary, affordable *and* profitable' (Garside, 2000, p.51, emphasis in original).

Nevertheless, the philanthropic organisations charged rents considerably higher than were feasible for those in poverty. In the 1880s the income of Peabody Trust tenants was estimated at over 23s a week compared to an average income in London at the time of 18s (Morton, 1991, p.14). It was for this reason that the 1890 Housing of the Working Classes Act was designed to produce dwellings 'cheaper than Peabody' (Morton, 1991, p.16). Within central London high building costs acted as a constraint on letting rented property. Thus, 'either the accommodation did not produce sufficient return to attract profit-making landlords...or the rents that achieved acceptable returns were too much for poorer households' (Best, 1991, p.143).

The philanthropic Trusts were privately financed, self-regulated and largely unaccountable. A defining feature of these organisations was their hostility to government intervention and there was little doubt that the core identity of the philanthropic associations was based upon a private sector ethos:

Throughout the nineteenth century, when most homes were supplied by private landlords, the associations saw themselves as pioneers demonstrating how responsible landlords, and discerning investors, could meet the needs of those on modest incomes...demonstrating that good-quality homes could be achieved by private enterprise (Best, 1991, p.143).

These early attempts at housing provision were driven by the interventions of committed individuals, offering substantial endowments to enable philanthropic activity to be undertaken. Table 3.1 illustrates that four of these Trusts continue to have significant numbers of properties in 2003.

Table 3.1: The Philanthropic Housing Trusts

Housing Trust	Year of foundation	Initial endowment (£000)	Stock in 2003 (no of homes)
Peabody Trust	1862	150	17,000
Octavia Hill Housing Trust	1864	-	3,500
Industrial Dwellings Society	1885	-	1,200
William Sutton	1889	1,500	16,000
Guinness Trust	1890	250	25,000
Samuel Lewis Trust	1901	400	19,000

Source: Housing association *Annual Reports*, Malpass, 2000a, p.53, Malpass and Murie, 1999, p.30.

Substantial conflict between public and private sectors was apparent in the development of the early housing associations. Thus 'on both sides... there was hostility and irritation between government and the voluntary housing sector' (Garside, 2000, p.55). For local authorities, especially in the London area there were complaints about empty sites inherited from the Metropolitan Board of Works and 'the politicisation of the housing question after 1890 brought something near contempt for the voluntary sector' (*ibid.*). The origins of an adversarial relationship between the voluntary and statutory sectors can therefore be traced back to the 19th century.

By 1910 the Peabody and Guinness Trusts had built over 7500 dwellings (Wohl, 1977, pp.360-361) and constituted a dominant force in the early

provision of social housing. By 1915, over two thirds of the dwellings in the voluntary sector in London were provided by these commercial philanthropists (Morris, 1999; Garside, 2000, p.52). The voluntary housing organisations were also working in an environment where there was no financial assistance from the State and effectively no government housing policy (Malpass, 2000b, p.211). In 1915 there were only 24,000 council houses in Great Britain (Merrett, 1979, p.26) half of which were in London where the council stock was equivalent to only about a quarter of the voluntary sector stock (Malpass, 2000b, p.201). Until the outbreak of the First World War, local authority housing was extremely rare and the majority of councils built no property until after 1918 (Malpass, 2000b).

Organisations such as Peabody and Samuel Lewis refused to accept government subsidy. The Guinness Trust would only accept government help if it was provided 'without undue restrictions being imposed as a condition of such help' (quoted in Garside, 2000, p.62). The William Sutton Trust proved an exception in attempting to gain funding; arguing unsuccessfully that its approach could not be distinguished from a local authority (Garside, 2000, pp.62-3). However, the general reluctance to accept state funding and consequent regulation, in the belief that this would compromise their independence, ensured that these organisations were destined to play a peripheral role in the reconstruction programme following the First World War.

Crucially, established with the aim of providing good quality accommodation to the 'respectable' working class (Hills, 1987, p.3), the early housing organisations could afford to be discriminating about their client group and to adopt flexible and discretionary approaches to decision-making. This discretion resulted in criticism that they were failing to reach those in the greatest need (Malpass and Murie, 1999, p.30). Significantly, they did not see their role as providing for the poorest groups in society groups in the greatest need but rather as giving assistance to deserving individuals at slightly less than market rates.

Gradually the voluntary sector became more closely involved with public sector objectives of slum clearance and benefited from public monies through the Public Works Loan Board which by 1914 had lent nearly £2.5 million to housing societies in England (Garside, 2000, p.54). Nevertheless, these organisations demonstrated their hostility to regulation by complaining that their work was being 'clogged with conditions' (Burnett, 1978, pp.175-6).

The First World War represented a significant epoch in the history of housing policy. Although by 1917 the voluntary sector had provided twice as many homes as local authorities in England and Wales (Garside, 2000, p.59) after the war local authorities became the main providers of social housing (encouraged by central government). This period witnessed a rapid increase in municipal provision alongside a failure by the voluntary housing sector to maintain the momentum it had established. The 'Homes for Heroes' campaign signalled a reversal of roles for the voluntary and statutory sectors, with the latter assuming the primary responsibility for the delivery of housing policy. Using subsidies available under the Housing and Town Planning Act 1919, the charitable Trusts and public utility societies produced only 4,545 dwellings, compared to over 170,000 by local authorities (Malpass, 2000b, p.204).

The reversal of roles was illustrated by criticisms that the existing housing associations lacked ambition to extend their operations. They were also criticised for their failure to respond adequately to the levels of need, apparent in the slum conditions of early 20th century London. Thus Tarn (1973) stated that the model dwelling companies abandoned their objective to provide for the poor (pp.102-3). The design and management of properties were also criticised for their 'ruthless utilitarianism' (White, 1980, p.24) and 'the conviction grew that housing should not be left to charitable enterprise but should become a state responsibility' (Gauldie, 1974, p.235).

The approach to housing management practiced by the philanthropic organisations also showed strong traces of an individualistic cultural bias. As Kemp and Williams (1991) argue 'the development of capitalist housing

provision, which accompanied the rapid urban growth of the late eighteenth and early nineteenth centuries...seems to have brought with it a distinctive, more impersonal and commercial, management of working-class housing to let' (p.123). Thus, abandoning notions of what was best for the moral welfare of the tenants, landlords encouraged a more detached financial relationship which meant that tenants lost legal rights and landlords had a much stronger position in determining rent levels, security and eviction proceedings (*ibid.*). Thus 'the mass of the population occupied their dwellings from 1838 to 1915 at the whim of their landlord' (Nevitt, 1970, p.131, cited in Kemp and Williams, 1991, p.123). Decisions about who to allocate property to, when to carry out repairs and decorations and to allow delays in rent payments were all informed by a commercial imperative (p.124).

These individualistic approaches to housing provision were strongly advocated by Octavia Hill, who was a highly-influential late Victorian figure working to improve housing conditions in central London. Octavia Hill pioneered an estate based approach which combined property management and social work, developed from 1865 onwards (Darley, 1990). Regarded as the founder of modern housing management, Hill demonstrated hostility to state intervention on the basis that it was 'indiscriminate' and 'open to abuse' (Clapham, 1997a, p. 30; Garside, 2000, p. 54). Thus 'throughout her life Octavia had a horror of careless charity, which encouraged sloth and imprudence in the poor, and locked them into a condition of permanent dependency' (Whelan, 1998, p.6). Her individualism is shown in the hostility shown to any kind of organisational structure. Most of her work was carried out in the 'privately rented, profit-orientated housing market' (Kemp and Williams, 1991, p.122). Needing to 'have the absolute discretion to do as she saw best' (Whelan, 1998, p.8) her approach represented a classic individualist style of management.

Whilst the inter-war period is generally regarded as a period of failure for the sector in terms of an ability to develop substantial housing stock (Malpass, 2000a, p.81) housing associations did had some success in undertaking

action in the London area in the 1920s and 30s. For the most part, the voluntary housing sector confined its efforts to combating problems associated with urban slums. Table 3.2 illustrates the formation of a number of new associations in these two decades including, Kensington Housing Trust; St. Pancras Housing Association and St. Marylebone Housing Association (Malpass, 2000a, p.86).

Table 3.2: The 'pioneering' associations

Housing association	Year of foundation	Stock in 2003 (numbers of properties owned)
Kensington Housing Trust	1922	2,400
St. Pancras (later merged with Humanist HA)	1924	4,600
English Churches	1924	11,000
St. Marylebone	1926	-
Islington and Shoreditch	1934	1,000

Source: Housing association, *Annual Reports*

Acting primarily on their own initiative, these organisations encouraged the rehabilitation of Victorian properties in inner-city areas. However, these associations failed to capitalise upon their early period as 'pioneers' of housing policy (Best, 1991) and housing associations continued to be marginalised. The common perception of associations was that they had done 'some important new work but with only a modest quantum of extra homes to show for their efforts' (Best, 1991, p.146). The extension of the municipal sector after the 1930s, despite the activity of many voluntary organisations meant that the housing societies were 'steadily excluded from any significant role, retreating to lobbying, advisory and propaganda activities' (Garside, 2000, p.72). These organisations were criticised for their ability to affect housing conditions in local neighbourhoods:

Of the older housing associations only the Kensington Housing Trust (KHT) had sought to increase awareness of the housing problems in the borough and to put pressure on the Council (Holmes, 2005, p.22).

The individualism of the early housing associations was not only associated with a low-grid ethos (through hostility to government intervention) but also through a low group identity. The charitable trusts chose not to join the National Federation of Housing Societies on its formation in 1935 (Malpass, 2000a, p.264) suggesting that they saw their role essentially in terms of pursuing their separate organisational objectives rather than as part of a cooperative endeavour.

Housing associations were not seen as part of the Atlee government's solution to the post-war welfare state; unlike local authorities they were not viewed as 'plannable instruments' by the Housing Minister (Nye Bevan) and they quickly found themselves peripheral to the extensive council building programmes of post-war housing policy (Holmans, 1987).

The development of 'cost-rent' and 'co-ownership' schemes in the 1960s has been seen as constituting the first modern generation of housing associations (Malpass and Murie, 1999, p.73), established with a grant of £25m to provide loans. Despite this funding arrangement, the underlying motive was an attempt to provide social housing without public subsidy. However, these initiatives soon came to be regarded as failures: the cost rent schemes failed due to high land prices and interest rates (Cope, 1999, p.10) and the co-ownership schemes (which offered owners a share in the increase in the market value of their properties) were unsustainable in the significant increases in property values in the 1970s (*ibid*). Although these schemes were discontinued they provided an important embryonic initiative for the privatisation drive of the late 1980s. They were also significant in that they began the process of establishing the principle that housing associations could provide management services in addition to conventional landlord functions (Malpass, 2000b, p.208).

The individualist roots of the sector comprised two main organisational forms (the model dwelling companies and charitable trusts). Whilst the former

ceased to exist early in the twentieth century, the latter remain as major players and retain important connections to their past (Garside, 2000). There has been a tendency amongst some influential commentators to underestimate the connections between past and present housing associations. Hence historians such as Malpass (2000b) express the view that to apply the term 'housing associations' to Victorian organisations is both 'anachronistic and misleading' (p.196). However, the discussion has showed that these housing organisations share important historical continuities with their modern counterparts with many organisations existing as substantial organisations into the twenty-first century; for example the two largest Charitable Trusts (*Peabody* and *Guinness*) have become the largest associations operating in the London area with over 15,000 units each (NHF, 1997).

3.3.2 Egalitarianism: a campaigning sector (1960s and 1970s)

The marginalisation of housing associations in post-war housing policy meant that the voluntary sector adjusted its emphasis in order to establish itself in the role of an effective interest group, campaigning for housing improvements in inner city areas (Jones, 1985). However a second phase in the history of housing associations emerged as a response to the perceived conservatism and inertia of the older philanthropic associations such as Peabody and Guinness Trust, who were seen as 'moribund, old fashioned and irrelevant' (Malpass, 2000a, p.142). The older established organisations had been criticised by a House of Commons select committee for their overly cautious development programmes (Milner Holland, 1965, p.44). The Milner Holland Committee report suggested that the contribution of housing associations was likely to remain of limited significance:

Since the Second World War...the contribution of housing associations has been marginal... It will continue to be in the nature of an emergency measure. It is not a pattern for a large scale contribution to London's housing by the housing association movement (cited in Holmes, 2005, p.43).

The establishment of the Housing Corporation in 1964 provided a stimulus which enabled associations to make use of subsidies and loans for the purchase, rehabilitation and conversion of old houses and new dwellings (Balchin and Rhoden, 2002, p.229). This resulted in a 'new wave' of organisations which were 'increasingly being seen as the key players in new policies for urban regeneration and in breaking the monopoly of local authorities as the only providers of socially rented housing' (Holmes, 2005, p.70).

A further important incentive to these campaigning organisations was the establishment of the interest group, *Shelter*, in 1966 (Seyd, 1975). This organisation was able to exert a strong influence upon the emerging housing policy community. *Shelter* had a dual function. Primarily established in order to provide grants to social landlords, the organisation became increasingly critical of the 'conservative and undemocratic' activity of many existing organisations, believing them to be failing to meet the needs of inner-city homeless groups (Seyd, 1975, p.419). Thus the second objective was to function as a pressure group to influence government policy and campaign around the issue of homelessness (Jacobs *et. al.*, 1999). Partly fortuitously, the foundation of Shelter coincided with the showing of a powerful drama, *Cathy Come Home* (Seyd, 1975; Malpass, 2000a, p.142). The impact of the film and the establishment of a new organisation struck a popular chord and helped to construct a consensus that a radical, collective response was needed to address problems of homelessness and poor housing conditions in the face of bureaucratic indifference and private sector hostility. In addition key individuals, with an interest in the housing association sector (such as the Rev. Bruce Kenrick, the founder of Notting Hill Housing Trust) played an important role in campaigning for the introduction of a statutory duty upon local authorities to provide accommodation for homeless households through the 1977 Housing (Homeless Persons) Act (Seyd, 1975).

This campaigning, interest group activity marked a period of radical attempts to find local, practical, inclusive strategies to social problems which reflected a wider distrust of corporate bureaucracy and scepticism of professional

expertise. The influence of writers such as Jacobs (1961) in the United States or Ward (1974) in Britain; the work of Schumacher (1974) and the 'anti-psychiatry' movement associated with Illich (1976) exercised an important influence upon egalitarian urban policies. Research undertaken on behalf of the Community Development Project in the 1970s (CDP, 1977) demonstrated a high level of suspicion of bureaucratic management systems. These ideas provided fertile ground for the development of a housing association collective 'movement' devoted to locally based solutions and eager to pursue a radical, critical pressure group function.

The role as part of a 'third arm' or 'third sector' provision (Mullins, 1997a), demonstrated a wish to carve out a distinct identity separate from both welfare bureaucracies and profit-seeking landlords. The specialist skills of the housing association sector offered the benefits of a 'pluralist approach to subsidised provision' (Best, 1997, p.103) and coincided with a period of increased tenant activism in the 1960s; squatters' movements played a leading role in improving housing conditions in inner city areas and rent strikes were undertaken by council tenants (Murie *et. al.*, 1976). The development of a number of new and dynamic 'rehabilitation' housing associations (Best, 1991) had the effect of reinvigorating the sector. Table 3.3 illustrates how many organisations had their origins in this period.

Table 3.3 The Rehabilitation Housing Associations

Housing association	Year of foundation	Stock in 2003 (numbers of homes)
Family	1961	25,000
Battersea Churches and Chelsea	1962	1,300
Ealing Family	1962	7,500
London and Quadrant	1963	23,000
Metropolitan	1963	15,000
Notting Hill	1963	14,000
Community	1964	2,500
South London Family	1964	11,500
New Islington and Hackney	1965	6,200
Paddington Churches	1965	8,000
North British	1965	42,000
Hyde	1967	30,000
Croydon Churches	1967	1,300
Richmond Upon Thames	1967	3,000
Circle 33	1968	17,000
Newlon	1968	4,000
Shepherds Bush	1968	4,500
Presentation	1968	4,500
Centrepont	1969	-
Acton	1969	7,200
Sanctuary	1969	5,000
St. Mungo Community	1969	1,000
Habinteg	1970	2,000
Community	1972	2,500
London Cyrenians	1972	-
Look Ahead	1973	1,810
Threshold Housing and Support	1975	3,100
Network	1975	6,000
Springboard	1975	6,000
Soho	1976	650

Source: Housing association, *Annual Reports*

These organisations formed the core of the core of the major developing associations in the London area. Perceiving local authorities as more problem

than solution they 'saw themselves as a distinct, modernising force within the housing association movement' (Malpass, 2000a, p.144). They gained an impetus from dissatisfaction with the comprehensive slum clearance schemes implemented by municipal authorities during the 1960s (Dunleavy, 1981; Power, 1993) and their ability to develop incrementally through rehabilitation programmes was a key attribute. Thus:

The value of preserving communities, and conserving properties, was increasingly emphasised as a better alternative for many areas than wholesale clearance and replacement with council estates. System-building techniques and industrialised methods turned public sympathy away from the tower blocks, immense estates on the periphery of towns, the concrete walkways and sometimes brutal design; the painstaking and piecemeal renovation practiced by housing associations gained popularity accordingly (Best, 1991, p.152).

Their existence at the interstices between state and market succeeded in reinforcing their sense of legitimacy (Back and Hamnett, 1985).

Simultaneously they avoided the disapprobation attached to private landlords in inner-city areas and they were motivated by a desire to tackle the problems of slum landlords such as Perec Rachman in West London (Kemp, 1997). A history of one of these rehabilitation organisations (Paddington Churches Housing Association) outlined the experience of residents in the West London area in the 1960s. It described

elderly, long-standing residents who felt more and more insecure by the day, as their homes were bought and sold over their heads. Many suffered harassment from landlords. Foreign-based property speculators stalked the area, looking for a quick killing (Mantle, 1995, p. 25).

Between 1968 and 1988, half of all housing association investment was devoted to the acquisition and rehabilitation of street properties (Best, 1997, p.107), illustrating a piecemeal approach to urban renewal in contrast to the comprehensive development schemes of municipal landlords.

Many of these rehabilitation organisations were influenced by religious institutions, for example the Catholic Housing Aid Society was highly

influential in the establishment of the pressure group 'Shelter' (Malpass, 2000b, p.208). Most of the associations with 'family' in their title also owe their origins to religious movements (*ibid.*). The influence of religion within the church organisations was clear at the outset of many of the 'new wave' of housing associations. For example, the reverend Bruce Kenrick, founder of Notting Hill Housing Trust wrote in 1965:

We make no secret of the fact that we see the Trust as a fragment of the church. A fragment whose dynamic is enshrined in the sacrament we celebrate together (Kenrick, 1965, cited in Holmes, 2005, p.16).

Similarly, a history of Centrepoint housing association describes their spiritual origins in 1969: 'We went ahead without planning permission. In fact we only consulted two people; the Holy Spirit and Westminster Council Rodent Officer...We had little more than £30 in the bank when we started' (quoted at www.centrepoint.org.uk). These explicit religious motivations were soon to disappear from the objectives of these organisations. What remained was a strong collective ethos, coupled with a rejection of bureaucratic working practices:

All those who worked with the [Notting Hill Housing] Trust in these early years recall the strong 'buzz' of creativity and breaking new ground. The excitement came in part from being in close day-to-day contact with the community, working to find solutions to the acute and complex difficulties which people were experiencing. Responsibility was delegated. Staff were encouraged to be innovative. All this encouraged a very high level of commitment and enthusiasm (Holmes, 2005, p.17).

Concerns about racial discrimination in the allocation of council housing became prevalent in discussions of housing policy in the 1970s. A number of studies, which demonstrated unintentional, 'institutional' discrimination despite stated objectives, questioned the hierarchical management systems developed by local authorities (Henderson and Karn, 1987; Smith, 1989). Although applied to organisations embracing equal opportunity policies and making public commitments to equal treatment, a number of research studies indicated persistent patterns of discrimination through the unintended consequences of policies designed to minimise unfair treatment of minority

ethnic groups (Jeffers and Hoggett, 1995; Law, 1996). Thus, Jacobs (1985) has shown how many Labour controlled local authorities were reluctant to offer tenancies to colonial immigrants and their British born children. Other studies revealed persistent, institutional discrimination in the allocation of council housing in the London Borough of Hackney (CRE, 1984), Birmingham City Council (Henderson and Karn, 1987) and the London Borough of Lambeth (Jeffers and Hoggett, 1995).

Problems were viewed as endemic within hierarchical local authority structures and organisations were encouraged to develop more equitable systems of allocation, discretion and service delivery (Harrison, M., 1995; Harrison with Davis, 2001). The consequence was the formation of a number of specialist black and minority ethnic housing associations, established by local community activists, designed to challenge entrenched interests of white, middle-class policy makers (Sarre *et. al.*, 1989).

Associations were therefore able to capture niche markets in providing housing for specialist groups who had been excluded from either fully private provision through direct prejudice or who had experienced institutional discrimination via state bureaucracies. Thus, associations developed an expertise in providing accommodation for individuals with disabilities, sheltered housing for the elderly and general needs housing for black and minority ethnic groups (Henderson and Karn, 1987; Smith, 1989). A strong egalitarian ethos became attached to voluntary sector provision, which was also evident in the development of a smaller-scale cooperative housing movement (Clapham and Kintrea, 1992). In particular this later movement helped to create a further wave of organisations from within black and minority ethnic communities in London. Table 3.4 illustrates the emergence of a specialist housing association sector in the 1970s, alongside a later wave of organisations (assisted by a Housing Corporation black and minority ethnic strategy) in the 1980s.

Table 3.4: The Specialist Housing Association Movement

Housing association	Year of foundation	Client group	Stock in 2003 (numbers of homes)
Habinteg	1970	Disability and wheelchair users	2,000
John Grooms	1970	Wheelchair users	1,100
West Hampstead	1973	Temporary housing	-
Look Ahead	1973	Vulnerable groups	1,810
Ujima	1977	Black and minority ethnic	4,200
Spitalfields	1979	Bangladeshi community	300
Solon Wandsworth	1982	Cooperative	1,000
Cara	1983	Irish community	370
ASRA	1984	Asian community	2,000
Labo	1984	Bangladeshi community	350
Innisfree	1985	Irish community	320
North London Muslim	1986	Muslim community	450
Inquilab	1986	Black and minority ethnic	650
Croydon People's	1989	Black and minority ethnic	-
Shian	1989	Black and minority ethnic ex-offenders	300
Golden Lane Housing	1998	Mental disability	-

Source: Housing Association, *Annual Reports*

The legitimacy of the rehabilitation housing associations rested on their small-scale operation and local profile. Thus, the view gained prevalence that housing associations 'managing less than 1000 dwellings, are more popular, and always more successful... The high standard of service ... is thought to stem from the fact that they are small-scale not large-scale landlords' (Nuttgens, 1989, p.109).

Advocates of housing associations were keen to convey an image of 'value-based' organisations (NFHA, 1995) operating effectively to meet housing need. From this perspective, these associations were diverse, proficient, locally based institutions, unaffected by the problems of inefficiency, unresponsiveness and rigidity associated with the 'bureaucratic paternalism' (Hambleton and Hoggett, 1987) or 'public landlordism' (Cole and Furbey, 1994) of the state sector.

An egalitarian philosophy provided a strong rationale for the majority of contemporary London housing associations. The ethos of a voluntary housing movement was largely constructed around a commitment to improving the social welfare of disadvantaged groups and providing specialist accommodation. These objectives continued to play an important role in constructing a sense of mission for contemporary housing associations. This core identity remained central to 'vision' statements, rooted in the organisational history of the London associations. This egalitarian ethos was used to deflect other criticisms, such as the lack of accountability of housing associations. However, this independent, voluntary, campaigning ethos began to conflict with another important pressure within the sector, which, since the 1970s, became more pronounced.

3.3.3 Hierarchy: housing associations as agents of the State (the 1970s)

Although not commonly associated with hierarchy, the management style adopted in many housing associations can be traced to a high-grid and high group approach. From their origins in the late nineteenth century, a powerful strain of paternalism was evident in some of the philanthropic associations, manifested not only in terms of individualism and self-help but also in a strongly interventionist style of management. Thus, the trustees of Peabody Housing Trust expressed their aspiration as attempting to reform the 'intellectual, moral and social welfare' of their residents (quoted in Garside, 2000, p.50). Some organisations such as William Sutton Trust, which merely provided 'sufficient and suitable' accommodation without trying to produce

improvements in resident behaviour, were accused of encouraging moral degeneracy (Garside, 2000, p.50).

The management approach adopted by many of the early housing associations was predisposed towards a coercive and judgmental style, heavily influenced by the figure of Octavia Hill as discussed earlier. Although associated with an individualistic approach, there were also strong elements of hierarchy in her model of management. Octavia Hill's methods were typified by a strong sense of moral endeavour and a punitive attitude towards rent arrears. The Octavia Hill method combined reform of both residents and landlords. Her attitude towards her tenants can be summarised in her view that 'the difficulty with these people is not financial but moral... They must be trained' (quoted in Whelan, 1998, p. 5). Thus 'she rejected the environmental argument, claiming that it was not the houses that were the problem but the tenants whose destructive behaviour was reinforced by bad landlords' (Garside, 2000, p. 52). The solution was therefore to be found in a combination of moral education, emphasising the duties of residents and in effective management.

Hill's methods have been highly influential in formulating ideas about management strategies for contemporary housing organisations (see for example Power, 1987; Darley, 1990; Whelan, 1998). Although the model of management associated with Octavia Hill represents an approach which continues to resonate within contemporary discussions of housing and welfare policy, her methods have proved controversial with other writers who criticised her approach as outmoded and unnecessarily judgmental (Malpass, 1984; Spicker, 1985; Clapham, 1997). Nevertheless, they have left a strong hierarchical legacy in contemporary management discussions about the moral dimension of housing management.

Hierarchical strains were evident in some housing associations during the 1930s. Despite the reluctance of many of the public utility societies to accept public funding and thereby compromise their independence, other housing associations welcomed the opportunities offered by government subsidies. As

early as the 1930s, a description of housing associations stated 'they have harnessed themselves to the coach of state and must obey the reins' (Macadam, 1934, p.27, quoted in Garside, 2000, p.75). This quote showed that there had been a long tradition within the voluntary housing sector that compelled it to adopt public sector norms. Although opposed by many organisations the idea that associations represented a part of the state sector exercises an important influence on these organisations. However, this strain represented a minority pressure in the first half of the twentieth century.

A defining moment in the incorporation of housing associations into a public sector environment occurred during the 1960s as housing associations expanded their profile through extensive regeneration activity. The establishment of the Housing Corporation in 1964 as a government body responsible for the financing and monitoring of association activity not only provided funding opportunities but also greater government scrutiny of association business. In the London area in 1967 the Greater London Council (GLC) began to provide funding for the sector and by 1983 they had assisted in the provision of 20,000 dwellings, the majority of which consisted of the rehabilitation of older properties. Two-thirds of these associations were located in inner London and almost 200 housing associations received funding through a rate fund contribution in addition to government subsidy. The GLC also transferred some its own stock to existing housing associations and provided land for future development (Malpass and Murie, 1994, p.91).

The major government interventions in the sector occurred in the 1970s. Described as the 'first major breach in the local authority monopoly of provision of *subsidised* rented housing' (Malpass and Murie, 1994, p.92, emphasis in original) the 1972 Housing Finance Act heralded the more substantial changes in the Housing Act 1974 which represented a turning-point for the sector. The 1974 Act introduced a generous form of deficit subsidy known as Housing Association Grant (HAG) and 'provided the basis for the enormous growth in the role and output of housing associations' (Malpass and Murie, 1994, p.92). The subsidy system offered considerable benefits to the sector, allowing it to develop housing on an unprecedented

scale and insulating organisations from financial risk. However, the receipt of state financial assistance also entailed sacrifices:

The introduction of large-scale public subsidy compromised to some extent the independence of the movement as inevitably bureaucratic controls were imposed as a quid pro quo for the receipt of public funds. The year 1974 was not only one which brought expansion, but it also marked the end of an era of reliance upon largely voluntary effort and charitable donations (Cope, 1999, p.11).

After the 1974 Housing Act associations benefited from minimal development costs (apart from that which could be sponsored by the collection of fair rents). The financial regime for housing associations was indicative of the willingness of governments of all political complexions to support a form of subsidised provision not controlled by local authorities, though on a relatively small scale.

These legislative changes proved a turning point for housing associations as they heralded not only new funding but also more rigorous monitoring arrangements, bringing them in line with other public sector institutions. There was a 'new policing role' for the Housing Corporation, which 'registered, monitored and could ultimately control each housing association in receipt of public funds' creating an 'important linkage' between the state and voluntary sector (Best, 1991, p.153). The Housing Act 1974 also prevented people with a financial interest in associations from serving on management committees or from paying dividends to shareholders. This was a reversal of previous practice (Malpass, 2000b, p.208) and marked a stricter regulatory approach to the sector as access to public subsidy became available.

One of the benefits of housing associations was therefore that they could be seen as a small but expanding arm of provision that central government could more effectively control than the intractable local authority sector. The Act introduced an environment that was effectively free from risk, with an average of 80 per cent of development costs covered by public funding (*ibid.*, p.209). One interpretation was that the 1974 Act 'virtually transformed housing associations into agents of state housing policy' (*ibid.*). In similar vein, others

have written that for housing associations, 'the majority of their funding came from central and local government placing them firmly in the public sector' (Cope, 1999, p.2).

The 1974 Act therefore can be seen to have facilitated the colonisation or 'incorporation' of the sector by state agencies (Mullins and Riseborough, 2001, p.156). As public subsidy was limited to organisations registered with the Housing Corporation, this non-departmental public body was able to exercise considerable control and 'resource dependency' (Aldrich, 1976) on the part of the voluntary sector. Consequently government control of these organisations increased dramatically.

The role of the Housing Corporation saw central government exerting an unprecedented level of influence over the funding, output and management performance of housing associations. Thus, the period since the 1970s 'has seen the evolution of a system which initially involved little more than the registration of housing associations, and some rather primitive financial controls, into a comprehensive machinery for auditing their performance on a variety of dimensions' (Day *et. al.*, 1993, p.8). Some have argued that this process has entailed a corporate culture shaped by a process of 'coercive isomorphism' (Di Maggio and Powell, 1991b), whereby the sector was compelled to accept much higher levels of standardisation and uniformity (Mullins and Riseborough, 2001, p.156).

These hierarchical pressures from central government were exacerbated by pressures from local government partners. Local councils had always exercised an important strategic role in housing policy, determining clearance and improvement schemes, regulating provision, negotiating land deals, providing planning permission and offering grants (Goodlad, 1993). These arrangements were strengthened in the 1970s by the requirement to act in partnership arrangements with local authorities as a condition of receiving housing subsidy and resulted in a loss of independence and autonomy for London housing associations. The dependence on local government

institutions also made it difficult for associations to criticise municipal policies. Housing associations therefore were given increasingly restricted choices about whom they could accommodate and where they could develop (Malpass, 2000b). Furthermore, their autonomy was subject to the direction of local authority partners through 'nomination' agreements requiring housing associations to accept increasing proportions of applicants selected by local authorities.

Housing associations therefore faced considerable hierarchical pressures as they shifted towards a public sector ethos and became more closely involved with the State sector. Thus, on the basis of research conducted as early as 1979 the fact that

most housing associations at that time could fairly be described as bureaucracies was unpalatable, but accepted by many Directors. With sizeable and growing members of staff, varying levels of responsibility and titles, and substantial absolute and differential salaries, the association had entered the bureaucratic family (Billis, 1984, p.163).

By the early 1980s, the Housing Corporation was criticised as a tool of the Department of the Environment (DoE), having lost its independence, and relinquishing its role of lobbying for and representing the housing associations (Wolmar, 1982). The Director of the National Federation of Housing Associations, stated that the housing association movement is

not a nationalised industry or a public authority...We have obligations to hold on to our homes as long as possible...As independent bodies, we received...housing association grants...When we took the money we never for a moment suspected that by receiving it we had changed our status from being an independent body to being a public authority (reported in *The Guardian*, 6/11/82, cited in Balchin and Rhoden, 2002, p.236).

The resource dependency on central and local government institutions imposed increasing difficulty in retaining an egalitarian identity as interest groups, critics of government policy and in exercising their historic campaigning role. Hierarchy in housing associations represented an

additional strain upon their identity as small-scale, responsive and effective locally based organisations. The final pressure that can be identified has had important implications for the future development of housing associations.

3.3.4 Fatalism: a residual sector (the 1980s)

Fatalism has a long tradition in housing policy, particularly amongst the recipients of housing provision. For example, Wohl (1977, p.317) argues that despite increasing discontent and working class agitation over housing issues in the late Victorian era, activists encountered considerable difficulty in stimulating interest amongst slum dwellers in their housing conditions (cited in Malpass and Murie, 1999, p.32).

Additionally, Dunleavy (1977) has shown how in place of radical dissent against inadequate management systems in the mass housing era of the 1970s, the response from residents was one of 'quiescence' rather than protest. For example, with the exception of one or two high profile cases, there was no concerted pressure for rent strikes or other forms of collective action amongst resident groups in response to the poor performance of local authority landlords.

However, the strongest pressure towards fatalism can be found in the process of 'residualisation' of the sector as it was seen to cater for increasing proportions of low income groups, economically inactive households and vulnerable groups (Malpass, 1990). Although much debate has revolved around the social changes since 1988 (for example, Page, 1993) evidence shows that housing associations have historically attempted to cater for residents with a lower social status than those housed by local authorities. Despite the criticisms mentioned earlier that the philanthropic associations catered for a skilled working class, other housing associations were prepared to offer accommodation for less affluent groups. In her early interventions, at the start of the twentieth century, Octavia Hill was commended for having the courage to manage 'the tenants nobody else would touch' (Whelan, 1998, p.4). Thus, despite her uncompromising approach to rental payment and her

judgmental stance towards the behaviour of residents noted above, she was commended for tackling some of the deep-rooted, problems of disadvantaged groups who had often been excluded from council tenancies. A history of the William Sutton Trust described their resident group as embracing

the misfit who is not acceptable to the council; the large poor family who cannot afford council rents; the immigrant...By accepting these types of tenants, the Society helps to release council tenancies for the rather better off families who wish to progress from a tenement to a new flat (Tims, 1968, quoted in Garside, 2000, p. 74).

The use of housing associations to accommodate groups who had been excluded from local authority assistance played an important role in providing specialist accommodation for marginal and vulnerable households. However, the central point was that these groups traditionally formed a minority of housing association residents. Since the late 1970s the social profile of the sector has become progressively dominated by disadvantaged groups, to the extent where housing associations are now seen as 'relegated' to the 'lower levels' of social housing provision where management and provision were more urgent' (Garside, 2000, p.78). A central theme in contemporary discussions of housing policy has been the 'residualisation' of social housing (Malpass, 1990) whereby subsidised accommodation caters for an increasing proportion of tenants who are economically inactive, on low incomes and in vulnerable circumstances. Residualisation indicates a stigmatised service, which increasingly functions as an 'ambulance service' for the poor (Harloe, 1978). Although the thesis of residualisation had normally been applied to the municipal sector, others (for example, Page, 1993) illustrated how processes of marginalisation and polarisation were becoming particularly acute within the housing association sector.

A number of features combined to create a fatalist ethos, dependent on a low group and high grid environment. First, the changing client group led to pessimistic prognoses for contemporary social housing, warning that housing associations are creating the 'slums of the twenty-first century' (Balchin, 1995, p. 155) and becoming 'accommodation agencies for the "underclass"' (Cole

et. al., 1996, p.8). The residualisation of the housing association sector in the London area was primarily a consequence of the application of homelessness legislation since the 1977 Housing (Homeless Persons) Act whereby new social housing was allocated almost exclusively to statutory homeless groups. By definition these households have been classified as in 'priority need' indicating either that they have dependent children or that they are in some other way 'vulnerable' (due to illness or old age).

Table 3.5 illustrates the increasing proportion of lettings to homeless households during the 1980s showing an almost doubling of the percentage of properties allocated to homeless households in the London area. Inevitably these new tenancies were provided by the housing association sector as local authority supply declined to minimal levels.

Table 3.5: Lettings to homeless households (all tenancies), 1980-1988
Percentage of all lettings to new tenants

Region	1980/1	1982/3	1984/5	1986/7	1987/8
London	27	32	40	52	53
South East	18	20	18	23	26
England	16	17	19	15	27

Source: DoE, *Housing and Construction Statistics*

London had a much greater concentration of marginal groups with around twice the proportion of lettings allocated to homeless households than other areas of the country. This concentration inevitably increased the administrative pressures of managing a residual (and increasingly stigmatized) service. As in areas such as London the demand for social housing overwhelmed the available supply of accommodation, there was little effective choice and a pauperised, vulnerable and increasingly desperate client group dominated new lettings with limited scope for flexibility amongst social housing providers. Thus 'it has been estimated in some boroughs that it

would take over 20 years to house just those on the waiting list at present, let alone new applicants' (Brownhill and Sharp, 1992, p.15).

Before 1988 housing associations could exert no control over the level of rent that they set. The Rent Officer Service determined a figure independently of landlord needs. Nevertheless, the 'fair rents' registered in the 1970s and 1980s were increasing far above the level of inflation in order to more accurately reflect market rates (Treasor, 1990, pp.4-5). Table 3.6 shows the level of increases for housing association 'fair rents' up to 1988 in the London area indicated a four-fold increase over a fourteen-year period.

Table 3.6: Rent registrations for housing association accommodation in Greater London, 1974-1988

Mean registered rent £ p.a.	
1974	336
1975	373
1976	401
1977	463
1978	527
1979	563
1980	635
1981	761
1982	831
1983	919
1984	1,011
1985	1,080
1986	1,157
1987	1,280
1988	1,371

Source: DoE, *Housing and Construction Statistics*

Additionally, the absence of a 'right to buy' for most housing association tenants (in contrast to their local authority counterparts) meant that more affluent tenants normally chose to leave their accommodation to take advantage of the benefits offered by owner occupation. This strategy further reinforced the perception of a sector that had become the preserve of an impoverished underclass and that housing associations were in danger of becoming representatives of a new class of slum landlord.

A sense of fatalism within the sector became apparent in concerns about a loss of autonomy as reflected by the then Director of the National Federation:

Some will say that housing associations sold their souls to the State in 1974 in accepting both the substantial statutory funds and also the burdensome bureaucratic controls, which flowed from this Act (Best, 1984, p.182).

Others criticised the regulatory pressures imposed on housing associations: 'After the Conservatives gained power in 1979, the Corporation imposed its will on housing associations in an unprecedented and damaging manner' (Balchin and Rhoden, 2002, p.234). The sense that bureaucratic regulation was becoming overwhelming was evident in complaints that the work of associations had been 'handicapped' and 'there was a case for less meddling by the DoE in the Housing Corporation's affairs and less interference by the Corporation in association affairs, while in contrast there was remoteness and communication failure' (Balchin and Rhoden, 2002, p.235).

The reliance upon government subsidy was thought to have undermined the original goals of the movement. Thus, some held that 'their independence had already been severely compromised by more than two decades of state funding' (Whelan, 1998, p.32). The extent of centralised control led to a description of the sector as 'little more than the government's estate agent' ('Cracks appear in the foundation', *Investors Chronicle*, March, 1994, quoted in Whelan, 1998, p.32). Following from the changes imposed since the 1970s, housing associations were seen as facing a fundamental crisis of identity and legitimacy. In particular their 'image as small, local, community-based and responsive is under severe threat' (Malpass and Murie, 1994, p.175).

The high grid element necessary to the development of fatalism can be found in the acknowledgement that more intensive approaches to management are needed to cope with the increasingly challenging behaviour of residents. As housing associations are forced to accommodate increasing numbers of

vulnerable groups, this incorporates individuals susceptible to mental illness, physical health problems, harassment or domestic violence. This issue has become particularly problematic since policies of 'care in the community' were introduced in the 1980s, encouraging individuals to remain within their domestic environments rather than receiving institutional care in large psychiatric hospitals (Means and Smith, 1994; Lewis and Glennerster, 1996).

The overall impact of changes since the 1970s has been that the management task within the housing association sector had become far more problematic by the 1980s. Two groups have been most affected: the tenants themselves and front-line staff. Hence, even before the 1988 reforms a range of pressures were resulting in different cultural responses from housing associations. These pressures and criticisms were exacerbated by the introduction of the reforms in the Housing Act 1988.

3.4 The New Public Management Reforms: the Housing Act 1988

The managerialist reform programme of the 1980s was designed with municipal authorities in mind as the chief perpetrators of abuses of bureaucratic administration (Power, 1987). In line with other new public management (NPM) reforms, the policy solution was therefore to inhibit hierarchy within housing organisations by engendering the 'demunicipalisation' (Kemp, 1989) of rented housing provision. In particular the 1988 reforms illustrated classic NPM models of *disaggregation*, *competition*, and *incentivisation*.

Encouraged by the popular success of the policy of council house sales to sitting tenants (Forrest and Murie, 1990) the Housing Minister at the time of the 1988 Housing Act argued that further privatisation measures were necessary. Thus 'the next great push after the right to buy should be to get rid of the state as a big landlord' (Waldegrave, 1987, p.8). In similar vein the Secretary of State for Environment outlined the key objective of the reforms as 'an increase in the choice available to those who do not want or could not afford to own their homes and in particular the breaking up of the local

authority monopoly in social rented housing' (Ridley, 1991, p.1). The objective of the housing reforms was also to remove the fatalist legacy of previous policy: 'Housing was the area where Margaret Thatcher thought it was easiest to start to dismantle the dependency culture' (Ridley, 1991, p.93).

Government policy looked to the voluntary housing sector to resolve the seemingly intractable problem of ownership and management of large housing estates. The background to the management reforms of 1988 rested upon explicit objectives to dismantle hierarchy, to limit fatalism and to engender an individualistic cultural ethos.

The Housing Act 1988 was part of a broader conservative strategy to reform both the welfare state and attitudes towards public management. The 1988 Act was linked to an intensive reform programme incorporating substantial changes to the core welfare services of health, education, social security and social care. Described as constituting a 'major offensive against the basic structures of welfare provision' (Le Grand, 1990, p.1) and as 'critical in the history of British social policy' (*ibid.*) the Thatcherite reforms of the late 1980s have been seen as the apex of the New Right philosophies of welfare provision (Marsh and Rhodes, 1992; Malpass and Means, 1993). Based upon an extensive 'marketisation' of public services (Hutton, 1996, p.176), this reform programme advocated the extension of competition and the introduction of 'quasi-market' systems into hitherto bureaucratic, state sector services (Le Grand and Bartlett, 1993; Walsh, 1995).

The reforms comprised a range of initiatives to limit the power, role and autonomy of public sector agencies. Hence, legislation was introduced to reduce the power of local education authorities (through the Education Reform Act 1988) and to diminish local government financial autonomy by the application of a 'Community Charge' through the Local Government Finance Act 1988. Later legislation extended the reform programme to restructure local government finance, including the ring fencing of Housing Revenue Accounts, limiting the opportunity of councils to use cross subsidy from their General Rate Fund for housing provision (and vice versa) through the Local Government and Housing Act, 1989 (Malpass, 1990). Furthermore the

structure of health service delivery was reformed to incorporate an internal market and reforms to psychiatric services through the National Health Service and Community Care Act 1990. Described as 'the most significant break in the incrementalist tradition of social policy' since the 1940s (Glennister *et. al.*, 1991) this reform programme aimed at a fundamental change in the culture of United Kingdom welfare provision. Although many of the components of these legislative changes were highly problematic (particularly the failed 'Community Charge' legislation, Butler, *et. al.*, 1994) the cumulative effect of the programme has been hugely significant, resulting in an 'ideological blizzard' in addition to the 'economic hurricane' of the 1970s (Le Grand, 1991, p.350). The Housing Act 1988 'reflected Government's determination to transform rented housing from a poor quality local authority near monopoly to a diversified, privately funded and managed business sector' (Glennister *et. al.*, 1991, p.398).

The 1989 Housing and Local Government Act imposed further constraints upon local authorities in terms of their housing capital and revenue spending and the cumulative impact of the reforms was to radically restructure and alter 'the state's role in the provision and future management of social housing' (Lambert and Malpass, 1998, p.93). The key objective of the government reforms of the 1980s was to transform the bureaucratic culture of core public services. As the then Minister of Public Service and Science (William Waldegrave) stated, the central question was how 'to get away from the dead hand of hierarchy, where no-one was responsible for success or failure of management' (*The Times* essay, 26, April, 1993, cited in Page, 1994, p.9). The extent of change has been described as follows:

Before 1988, housing associations had a different culture: they were quasi public sector bodies working almost entirely with public finance in an area governed by public requirements, regulation and accountability. Now the new regime expects them to be entrepreneurial, risk taking and competitive (Page, 1994, p.18).

The cultural change from an administrative to an entrepreneurial housing sector was to be achieved through a number of measures. First,

disaggregation was ensured by establishing that local authorities would play a facilitative or 'enabling role', where the provision of new social housing would be through voluntary rather than statutory sector agencies (Bramley, 1993). The function of local government was therefore to facilitate the development of strategic housing objectives rather than to directly deliver services. This objective marked a major change in the role and function of elected local government, which since 1919 had been the principal agency for the construction and management of publicly subsidised accommodation (Merrett, 1979). Housing associations were seen as ideally placed to occupy this role as they had gained valuable experience in developing social housing in inner city locations since the 1970s (Jones, 1985). As discussed above they were untainted by the management failures of the mass housing era and were perceived to have retained strong local connections with their communities. As mainly small-scale, locally based and diverse organisations, housing associations were thought to be in a strong position to achieve the necessary management improvements.

Competition was ensured by deregulation of private rented housing. The policy to reinvigorate a moribund private rented sector allowed profit-making landlords to compete on a level playing field with public agencies by removing restrictions on rental income. Housing associations were therefore able to negotiate their own income streams. Prior to the Act housing association rents were registered in advance by an independent Rent Officer Service with the remainder of grant issued through public subsidy. Whilst before 1988 housing associations had no interest or control over their rental income, post 1988 future levels of rent became a crucial factor in determining the feasibility of business plans. Housing associations were therefore able to compete against one another in order to win bids for development funding on a value for money basis.

Incentivisation was guaranteed through the introduction of the Act was to a system of 'mixed funding'. Public subsidy was reduced in percentage terms and associations were compelled to seek private sources of income to

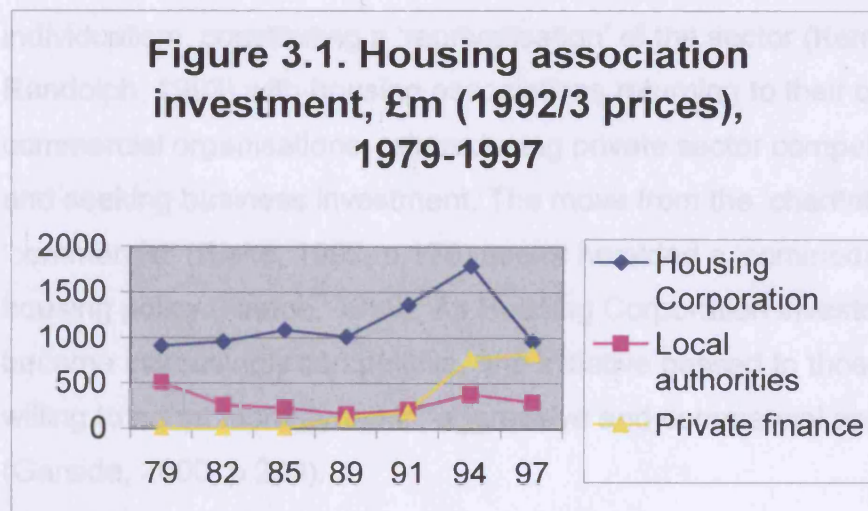
subsidise their development programmes. Table 3.7 illustrates the sharp decline in percentage terms of government subsidy since the late 1980s.

Table 3.7: Headline grant rates to housing associations, 1988 to 2000

	Percentage
1988-89	75-80
1989-90	75-80
1990-91	75-80
1991-2	75
1992-3	72
1993-4	67
1994-5	62
1995-6	58
1996-7	58
1997-8	56
1998-9	54
1999-2000	54

Source: Malpass, 2000a, p.206

Figure 3.1 illustrates the changes in funding arrangements illustrating the increasing importance of private finance as the levels of public subsidy were reduced. By 1997, the Housing Corporation was providing subsidy of £967m (compared to £1.8m in 1994). Finance raised from private sources had reached £823m in 1997.



Source: Best, 1997, p.112

The combination of a reduction in public subsidy combined with significant increases in private finance meant that associations were required to bear a greater proportion of development risk, and to make their own provision for major repairs. Interest payments on the private loans available were to be met through rental income (Harrison, J., 1995). The outcome was that rent levels had to increase substantially to take account of the costs of new build schemes. The main significance of these changes for the housing association sector was therefore to introduce substantial risk into their calculations. Whilst under the previous financial regime, they had been largely insulated from the consequences of poor management and investment decisions by the guarantee of high levels of public subsidy, the new era found exposed them to the relentless pressures of a competitive environment. They were forced to appeal to a variety of interests and were now entirely answerable for their mistakes.

The situation of the voluntary sector at the 'centre stage' of mainstream housing provision (Harrison, J., 1995) and their dependence on private income meant that their approach to ownership, development and management had to adapt to these new pressures. They were simultaneously expected to occupy a private sector role and to take responsibility for duties that were previously the function of public agencies.

The 1988 Act could therefore be seen to have instituted an injection of individualism, constituting a 'reprivatisation' of the sector (Kemp, 1990; Randolph, 1993) with housing associations returning to their origins as semi-commercial organisations, reintroducing private sector competitive practices and seeking business investment. The move from the 'charitable' to the 'commercial' (Blake, 1997, p.175) sector heralded a 'commodification' of housing policy (Harloe, 1995). As Housing Corporation investment decisions became increasingly competitive, 'the initiative passed to those associations willing to adopt more dynamic, aggressive and commercial approaches' (Garside, 2000, p.203).

However, as discussed above, associations were also seen as becoming 'incorporated' into a new welfare settlement (Mullins and Riseborough, 2001) as they fulfilled functions previously carried out by the state sector.

Furthermore, they found themselves intertwined in complex interorganisational networks to deliver objectives (Reid, 1995) within an increasingly diverse and fragmented arena of local governance.

A further development in the sector was an increasing internal diversity as associations expanded their area of operation into care homes and shared ownership schemes; creating subsidiaries and group structures and involving themselves in local labour and training schemes. These activities could be seen as heralding a return to the pioneering activities of the Victorian philanthropic Trusts and societies (Malpass, 2000a, p.14).

Since 1988, commentators have begun to point to some of the tensions inherent in the role of housing associations. For example, some have claimed that housing associations 'can be forgiven for feeling they now face an identity crisis' (Dwelly, 1999, p.6). The fundamental tensions surfacing within the sector created new strains upon housing associations resulting in a loss of focus and direction and a lack of guidance about the core purposes of these organisations. In particular the tensions of occupying a role located between 'voluntary', 'public' and 'private' dimensions proved increasingly difficult to accommodate. A further pressure resulted from the perception that the sector occupied a residual status at the margins of social service provision, at the same time as it was attempting to play a central role in the delivery of social policy.

3.5 Conclusion

The historical discussion has illustrated how before 1988 housing associations were a largely neglected tool of public policy and played a peripheral role to the municipal sector in terms of provision of

accommodation. It was this marginalisation that was rectified in the 1988 legislation.

The story of the housing association sector can be usefully told in terms of four main cultural imperatives that have influenced the housing association sector at different periods in time. Individualism played a prominent role in the first wave of housing organisations, in particular influencing the development of the philanthropic Trusts, many of which continue to be significant providers in London. In contrast to those commentators who maintain that there is little to connect the Victorian philanthropists with their current manifestations, there is a clear inheritance from the earlier to contemporary organisations. An individualistic approach continued in inter-war pioneering associations with less success, but it represented the dominant approach in the voluntary housing sector from the beginning of the twentieth century to the end of the Second World War and was a key factor in the government decision to give housing associations the role as main providers in the late 1980s.

However, the failure of individualism to cater for diverse housing needs in the 1960s led to a hugely influential egalitarian world-view becoming adopted by the newly-emerging London housing associations. These organisations became known as the 'Shelter' organisations and they subsequently formed the core of the major contemporary developing associations. Many founding members of these organisations later attained influential positions in the housing sector and they subsequently played a highly significant role in determining the shape and identity of the housing associations movement. Nevertheless, these organisations were not without their critics, in particular for their lack of accountability to local communities and this allowed a later wave of egalitarian organisations to emerge in the 1970s, with minority ethnic community based housing associations playing a leading role.

Nevertheless, despite the success of many egalitarian initiatives, a less commented feature of the housing association sector was an increasing hierarchicalism following the 1974 Housing Act. The Act introduced complex subsidy arrangements and a system of regulation and monitoring

arrangements administered by the Housing Corporation. Whilst allowing organisational growth on an unprecedented scale the 1974 legislation also introduced growing concerns amongst those working within the sector that housing associations were becoming agents of government policy and thus losing their traditional 'low-grid' identity.

An emerging fatalist ethos became associated with a fourth phase of development in the early 1980s, connected to a changing client group for housing associations. The fact that the sector was perceived to be catering for residual and marginal group of residents ensured greater management challenges at the same time as the sector experienced decreasing levels of autonomy through the regulatory system.

These four phases of development laid the foundations for the reform programme of the 1980s. The success of the housing association sector in the 1970s and 1980s encouraged government Ministers to extend their role as instruments for delivering social housing. However and despite some of the hierarchical tendencies noted above, their general experience in small-scale rehabilitation programmes and incremental developments at the local level meant they were poorly prepared for the demands of the late 1980s. The 1988 Act provided a key turning-point when housing associations were thrust centre stage as the main providers of new social housing. The reforms established housing associations as increasingly important constituents in a changing local governance, with local authorities relegated to a strategic enabling role. In particular the 1988 Act resulted in an injection of individualism into the sector and exhibiting a classic NPM style programme of reform entailing a disaggregation of the sector, increased levels of competition and incentivisation towards more effective performance. The central organisational change in the post 1988 period was therefore intended to shift housing associations in a 'down-grid' direction back towards their philanthropic, largely autonomous origins. Housing associations can therefore be said to have come full circle back to their individualistic roots.

However, what is much less clear is how these reforms have affected organisations over the almost twenty year period since the reforms were introduced. The following chapters therefore examine how the implementation of the 1988 Act affected contemporary housing associations by reference to more detailed empirical analysis.

Chapter 4

SWIMMING WITH SHARKS: INDIVIDUALISM IN HOUSING ASSOCIATIONS

To the extent that their governing bodies and managers draw satisfaction from increasing their market share - and the evidence of the trend towards ever larger associations suggests that this motive is indeed at work - so they are behaving more like for-profit organisations (Day and Klein, 1996, p.12).

4.1 Introduction

The idea that housing associations represent 'one of the outstanding success stories of the last twenty years' (Klein and Day, 1994, p.18) can primarily be attributed to their achievement in effectively repositioning themselves as the main providers of new social housing and in generating substantial investment through private sector agencies. As seen in the previous chapter, since the 1970s the sector had increasingly been brought within the remit of central government through regulation and public subsidy. The selection of housing associations as the preferred vehicles for government policy in the 1980s resulted in what has been called a 're-privatisation' of housing associations (Randolph, 1993) returning them to an era when state involvement in housing provision was negligible. Chapter three also showed that the key significance of the Housing Act 1988 was the introduction of a number of concepts that were hitherto considered unfamiliar to housing association managers. These concepts included increased 'competition', the management of 'risk' and 'private finance'.

This chapter considers the injection of individualism within the housing association sector, through the removal of bureaucratic controls in order to facilitate organisational change and a culture of entrepreneurship. Housing

associations are said to have been subject to a greater immersion within the market than other public services (Walker *et. al.*, 2001, p.1) and have been encouraged to see themselves as social businesses. The purpose of the chapter is to consider the causes and effects of an individualistic culture through a detailed analysis of the responses of senior managers.

4.2 An individualist approach to organisational design

Individualism has been seen as 'one of the major sources of intellectual dynamism in public management over the past 30 years' which has 'to a large extent displaced the Weberian approach as a ruling orthodoxy for public management in the English-speaking world, and to some extent beyond' (Hood, 2000, pp.101-2). Although unrestrained rivalry and competition are ultimately incompatible with organisation (*ibid.*) a number of core themes can be identified in an individualistic organisational bias. First, individualists demonstrate a strong hostility to state bureaucracies and exhibit a general distrust of collectivism, centralisation and government intervention. A second theme of individualism at a central government level is the extensive use of reward and incentive structures. Thirdly individualists pursue the competitive provision of public services and share a preference for smaller units of government, seeing markets as inherently more effective than hierarchies. A fourth aspect of individualism can be found in a stress on transparency and publicity, with individuals taking responsibility for core functions.

The presentation of housing associations in the 1980s as flexible, dynamic and responsive agencies based upon their voluntary capacity, local knowledge and lack of bureaucratic constraints encapsulates these individualist themes which formed the central rationale behind the 1988 reforms. Government policy in the 1980s was designed to replace elected local authorities with non-elected agencies and introduce greater use of market mechanisms (Walsh, 1995) with housing associations in the forefront of this policy initiative. Discussions of management change within housing associations have been interpreted as leading both to greater innovation

(Walker *et. al.*, 2001) and an increased level of competition through a relaxation of hierarchical constraints, which have fundamentally altered the goals, and purposes of the sector (Mullins and Riseborough, 1997). Heralding a 'new era' or 'new regime' of risk, choice, and market discipline (Malpass, 1990) the 1988 Act initiated a period of substantial transformation for housing agencies.

4.3 The individualist ethos in housing associations since 1988

The changes introduced in the 1980s have been interpreted as both deeply rooted and irreversible. Prior to the 1988 Act, housing associations existed in a zone of 'comfort' (Walker, 1998) where they were entitled to a level of funding which isolated them from risk and market pressures. In contrast, the post 1988 environment focused much greater scrutiny upon management performance and the delivery of key objectives. Considerable pressure was placed upon voluntary organisations to compete for contracts for development funding, to win bids and to perform effectively. The difference between the earlier and later periods was summarised by a Director of a large London association in the following terms:

I think there has been an enormous sea-change since 1988. The fact was that previously a gifted amateur could develop housing associations. There was an extremely generous system of capital grants. Being slightly tongue in cheek, all you needed was a good arts degree and a manual and you could go away and do it. The mistakes you made were borne by the public Exchequer. Not any more.
(Interview no.6, 11/2/97)

Housing professionals were in no doubt that the post 1988 regime heralded qualitative differences in housing service delivery and led to fundamental transformations in roles and relationships within the sector. As another senior manager of one of the largest London associations commented:

Prior to the 1988 Housing Act you had a neutral system of housing association grant allocation, provided on the whole particular criteria were followed. It made no difference whether you were large, medium or small, well off or badly off, efficient or inefficient, because the rent and

the overall grant rate were established independently. Post-1988 the performance of the organisation, its costs, its effectiveness, its ability to raise private funds have all made a difference... As a result the competition is now ferocious in some areas (Interview no.12, 8/4/97).

An individualistic culture, based on 'ferocious' competition, represents one of the dominant images of the contemporary housing association. As one commentator has stated: 'Housing associations have adopted a business, rather than a voluntary, ethos in order to survive in the new "market" for social housing' (Harrison, J. 1995, p.67). Housing associations were forced to adapt to the demands of a new professional public sector culture, which was itself shaped by the pressures of entrepreneurialism. The new environment placed a high premium on financial skills, effective risk management and creative managerial talents. An indication of the scale of change can be seen by attitudes towards organisational identity. As a senior manager of a large London association expressed it: 'Before 1988 we were a charity that happened to be a landlord. Post 1988, we are a landlord that happens to be a charity' (Interview no.6, 11/2/97). Organisations were beginning to see their core business as the responsibilities of a large-scale landlord, ensuring effective property management systems within an environment largely dominated by the competitive demands of market mechanisms.

4.4 The drivers towards individualism

Individualism was the stated objective of government policy resulting from deregulation and the introduction of financial incentives and disciplines. These pressures are considered below.

4.4.1 The discipline of private finance

The success of housing associations in generating and managing private financial markets has led to the sector being characterised as generating the 'first and most effective private finance initiative' (Cope, 1999, p.134). A new professionalism was required of association staff which placed great emphasis upon business skills, treasury management, entrepreneurialism and

innovation. In particular, housing associations were seen as better placed than local authorities to cope with the new environment due to their autonomy and flexibility (Hills, 1989, p.264). The demands of private finance inevitably gave a much higher profile to staff with expertise in financial management. Association managers faced an environment where they had to make judgements about rent levels, sources of future income streams, ensuring adequate provision for major repairs and the need to determine new market opportunities (Malpass, 2000a, p.211; Pryke, 1994; Chaplin *et. al*, 1995, p.11). The disciplines of private finance were strongly promoted at government level and mentioned in the policy framework proposed by the Housing Corporation. 'The new financial regime introduced by the 1988 Act has required associations to raise an increasing proportion of the funds needed for new investment' (Housing Corporation, 1994b, p.5)

The period immediately following the introduction of the 1988 gained notoriety as it became associated with a 'dash for growth' (Randolph, 1993; Cope, 1999, p.148) wherein associations struggled to compete with each other for favourable development opportunities. Ambitious Chief Executives and senior managers put considerable effort into winning competitive bids and thereby raising their organisational profile in the crucial period when development funds became available on an unprecedented scale. The 'development boom' of the early 1990s heralded a 'cash crisis' and considerable disruption to the output of dwellings in 1990/91 (Randolph, 1993, pp.42-4). This crisis was viewed as a 'major implementational failure of the new Act, effectively stalling its impact by two years' (Randolph, 1993, p.44). The period reflected what has been described as a 'develop or die' mentality (Walker, *et. al.*, 2001, p.36) amongst housing association managers in the early 1990s where the sole objective of managers was to pursue organisational expansion in order to gain access to development funds and to assert organisational status.

The 'competition mania' (Malpass, 2000a, p. 241) of the early 1990s offered substantial temptations to senior managers to expand their development portfolio exponentially and thereby enhance their status by demonstrating their aptitude within a private sector financial context, with access to private

finance described as 'almost too easy' (Malpass, 2000a, p.240).

The subsequent withdrawal of funding from the Housing Corporation acted as a limitation on the expansionist tendencies of these housing associations. Nevertheless, the perceived necessity of continual growth to generate an impression of central actors within the new local governance of housing has been an important motivating factor for contemporary housing associations. Managers viewed the need to demonstrate value for public money as one of the most important pressures upon housing organisations. In the early 1990s, housing associations faced strong pressures to appeal to private sector lending institutions. The Chief Executive of the National Housing Federation acknowledged this latter pressure:

The big policy risk that the government saw, and therefore wanted to secure more power to the Corporation, was making sure that private finance flows continued, by effectively giving assurances to the private sector that their money would be looked after (Interview no.12, 8/4/97).

Thus, the pressure to demonstrate that associations could deliver value for money services necessitated new sets of procedural safeguards. Private loans of between £10-20m were commonplace in the mid 1990s and associations were keen to reassure private lenders of their competence and financial stability. Lenders also became accustomed to scrutinising the *curriculum vitae* of voluntary committee members before agreeing to loans (Malpass, 1999b).

A financially driven imperative also affected investor behaviour, with some backers keen to develop their skills in housing policy:

What we have found is that, almost without exception, [investors] have employed specialist housing teams, as this is such a big market to them... They have got a very good perception of what is good quality housing stock, what is not such good quality, which housing estates are going to bring management problems, and so on. (Interview no.7, Director, 25/2/97)

The relationship between housing associations and financial investors was

seen as a mutually beneficial one. As investors began to view housing as a new business opportunity, they looked to evaluate investment options and carry out risk assessments, which had important implications in terms of decisions about which schemes to fund. Many housing professionals felt that investors would naturally be guided by 'bottom-line' financial calculations rather than philanthropic social policy objectives. Thus, 'their overriding interest is a financial one and in protecting their position' (Interview no.7, 25/2/97). Some managers were concerned that the original ethos of the housing association sector would become lost within an environment driven primarily by financial imperatives.

Housing association managers mentioned the pressures of private finance as the single most significant causal factor in determining cultural change in housing associations. Many managers enthusiastically grasped the opportunities offered by the ability to raise substantial sums in private investment and to compete effectively in a market environment. This ability to manage private finance was therefore viewed as a key performance indicator. For example one manager of a large housing association claimed: 'people will say that if we are cutting the mustard in the City, we must be effective' (Interview no.10, 13/3/97). Another manager proudly stated: 'we now owe more money to the City than we do to central government' (Interview no.6, 11/2/97). These statements showed the extent to which managers were content to view their obligations in financial terms rather than as part of a subsidised state sector. One of the main benefits of introducing extensive sums of private finance was the perception that this would enhance the autonomy of housing providers, expressed as follows:

The obvious change is that we now have to stand on our own two feet financially...we are increasingly trying to make sure that we are becoming less and less dependent on government money. (Interview no. 14, 10/9/97)

Part of the attraction of this financially driven culture was a desire to associate organisational status with the ability to operate autonomously. As one manager explained:

We've been around a long time; financially the organisation is pretty strong. We've had the ability to raise a lot of money to reinvest into the existing stock or its new initiatives...we will be looking at schemes to enable us to step outside of just being reliant on public funding. I think you can almost see the writing on the wall where eventually the government would like to give us no money whatsoever (Interview no.14, 10/9/97).

Reductions in public subsidy were therefore seen as much an opportunity as a threat to the sector, indicating the extent to which managers welcomed a culture of individualism, one that was not dependent on government largesse.

Housing associations increasingly perceived themselves as private businesses (albeit in a non-profit sector) with obligations to a diverse set of stakeholders. The senior managers of large, developing associations in particular were keen to establish a position as significant agents in financial markets, responsible for organisations with a turnover of several millions of pounds per annum. As the Chief Executive of one of the leading national associations expressed it in 2001, there was little effective choice about the direction of contemporary housing associations:

Orbit Housing Group has a turnover of £70 million, assets of £700 million and employs over 900 people. That's a sizeable business. We have a not-for-profit ethos but have to run the organisation as a business. We are there to provide a service to the customer at a cost-effective price. The business ethos has to underline everything. I don't see how we can approach it any other way (quoted in *Inside Housing*, 8/6/01).

Inevitably organisations faced considerable pressures from managing large sums of public and private monies. As a consequence of these financial pressures, accountability was defined primarily in monetary terms, with the overriding objective 'to ensure financial probity' (Interview no.3, 12/8/96). Thus associations were obliged to account for their financial management, but beyond this, they had much greater opportunity to raise money and to choose projects for development. This entailed a much wider definition of their social purposes and stakeholders. A revealing comment expressed the way in which a resource dependency had shifted from central government to private

sector institutions:

we are totally dependent on our funders. So one has to begin to develop a relationship with the banks and building societies that are funding us and the key area is our business plan...if circumstances change and we need to change the business plan that can't be done unilaterally. We have to go to our funders and make a business case (as opposed to a case in policy terms) that stacks up (Interview no.7, 25/2/97).

This dependence illustrated the extent to which financial backers exerted a crucial influence upon organisational strategies. The involvement of new sets of stakeholders in housing service delivery saw a shift in power away from elected representatives towards private financial institutions. The relationship between housing associations and private lenders therefore became central, necessitating flexible business plans that offered both opportunities and constraints. Housing associations had to be able to impress financial institutions that they were competent to deliver outcomes and to manage effectively within a highly competitive fiscal environment.

One of the key changes after 1997 for London housing associations was the process by which properties were transferred from local authorities on either a partial or full basis, through what was termed 'large scale voluntary transfer' (LSVT). This process marked a significant shift in the proportion of property owned by housing associations and local authorities. The use of local this process whereby councils dispose of property to housing associations has been claimed to be 'changing the face of British social housing' (Walker, 1998a, p.124).

Transfers from local authorities now represent 25 per cent of the total stock holdings in the social housing sector and have led to the sector being redesignated as registered social landlords (RSLs) (*ibid.*). Between 1988 and 2001, 117 councils in England transferred almost 600,000 dwellings into the RSL sector (Malpass and Mullins, 2002, p.681). This process involved the creation of a large number of new or subsidiary 'transfer' organisations. In London by 2001, eleven boroughs had completed a partial transfer of stock

and three boroughs had completed full transfer, amounting to over 43,000 properties (the Housing Corporation, 2002c). Commentators stress the importance of the stock transfer initiative in shaping the culture of the sector:

Transfer housing associations have increasingly come to influence the culture of the housing association sector as a whole, and arguably, social housing more broadly. In particular, they stand for a more single-minded focus on asset management and business planning, for an entrepreneurial approach, and for efforts to involve tenants in governance (Pawson, 2004, p.9).

Senior managers broadly welcomed the financial challenges offered by the stock transfer process. As an example, a Director of one transfer organisation commented:

I've spent the last eleven years trying to manage housing and to develop investment in a financial straightjacket that was getting tighter and tighter and had absolutely nothing to do with any valid investment concepts. It was all to do with controlling government expenditure, controlling public sector spending and carrying through the priorities of a government who did not have social housing anywhere near the top of its agenda (Interview no.7, 25/2/97).

The benefits of stock transfer were that managers had no longer to be dependent upon ideological preferences of local and central politicians. For managers operating within a local authority environment the hierarchical constraints had proved extremely frustrating. In contrast, the opportunities offered by transferring stock to a new housing association environment carried distinct advantages.

An indication of the way that associations had begun to perceive themselves was demonstrated in the following comment from the Chief Executive of a medium-sized association:

We have started to look at ourselves as a business. It isn't that we are a woolly, comfy housing association. We are a big business... We have millions of pounds worth of stock and land and we have to manage that and deliver in an effective way. You have to have business skills to do that (Interview no.16, 8/10/97).

Housing association managers were keen to demonstrate their facility as key players in financial transactions, operating within a dynamic and exciting world of corporate finance far removed from the mundane and routine practices of traditional housing management.

The Labour government of 1997 extended financial pressures by including a proposal in the 2000 Green Paper (ODPM, 2000) to pay grants to private developers, despite extensive lobbying from associations (Kendall, 2003, p.144). This meant that the competitive aspects of the 1988 Act were likely to be further enhanced by extending competition not only within the voluntary sector but to other private sector institutions.

4.4.2 New risk factors

One of the main changes that the 1988 Housing Act imposed upon housing associations was that government took the decision that it would no longer guarantee schemes with grant subsidy. Whereas prior to 1988 associations were insulated from financial burdens by a generous subsidy system, post 1988 grants were predetermined and cost overruns were the responsibility of individual organisations (Walker and Smith, 1999). As a textbook discussion of contemporary housing finance expresses it:

An organisation pursuing a policy of total risk avoidance would soon experience corporate stagnation and decline - "nothing ventured, nothing gained". This means that the enterprising housing association should not be seeking *total risk avoidance* so much as *effective risk management* (Garrett, 2000, p.353, emphasis in original).

Managers adopted a pragmatic attitude towards the demands generated by the new risk culture. They accepted that there were inherent dangers, but at the same time broadly welcomed the opportunities offered, in contrast to the limitations of the pre-1988 procedures. A common view expressed by managers was that past practices had become too hierarchical with excessively cumbersome procedural arrangements. As a consequence, innovation had been discouraged, partly due to a lack of competition and

market incentives. For example, one manager drew a comparison between the two periods in the following terms:

We tended to go from one year to the next, before the 1988 Act, because we knew the funding was going to be available through the Approved Development Programme. With the transfer of risk from the Housing Corporation (who used to bail out housing associations if they made huge deficits) to housing organisations, there is a greater emphasis on managing that risk and to ensure the Board is completely in control of strategy. Most of my experience in the last ten years is that people become aware of long-term planning (Interview no.11, 21/3/97).

A Chief Executive of a stock transfer organisation cheerfully maintained: 'we were a government agency and we are not now' (Interview no.7, 25/2/97) indicating that the mere fact of change from public to private sector provided a sense of liberation from bureaucratic constraints.

Managers were favourably disposed to a risk culture, viewing it as providing opportunities to pursue innovative management strategies through a wide diversity of practices. The limitations of the previous environment were characterised in the following way:

Like very many other housing associations we felt that because we were a charitable organisation that was in itself enough to prove that we were a good organisation...We made a worthwhile contribution, but were not able to demonstrate it (Interview no.11, 21/3/97).

The implication was that managers needed to show that they were able to cope with the new demands of an environment that imposed substantial risks and an important indication of a changing approach to risk management was the desire to expand organisational areas of operation in the form of a diversification of tasks and responsibilities. In the mid 1990s housing associations became increasingly willing to diversify their activities and encouraged to form profit centres and in order to do this, associations had to form group structures to separate their charitable activities from their profitable enterprises.

This tendency to diversify the organisational sphere of activity was manifested

in a number of ways. First, associations became involved in Private Finance Initiative activities to generate additional income. Second, they became involved in market-rented housing to identify new opportunities to increase their supply of accommodation and form partnerships with private landlords. Third, housing associations became involved in the development of student accommodation and key worker schemes. These examples showed how associations were turning their attention to new areas of operation and thus seeing their core business in much broader terms than simply providing housing for low income groups and extending their approach to the management of risk.

The tendency for housing associations to see themselves as part of wider regeneration initiatives was also indicative of a changing organisational culture towards a lower collective identity and less regulatory control. As the policy officer of the professional body for housing managers (the CIH) acknowledged, the diversity of the sector created a new range of demands and challenges:

If you look at housing associations now, it's not just social housing. For a lot of associations there's increasing involvement in a range of activities from commercial enterprises through care services to supporting neighbourhoods...When I joined the movement in 1977, it was value-driven with clearer simple objectives and organisations. There was more unity in promoting something they believe in (Mark Lupton, quoted in *Inside Housing*, 8/6/01).

The management of risk has therefore become embedded within the contemporary culture of the housing association sector. As the main regulatory body for the housing association sector, the Housing Corporation acknowledged the extent to which organisations needed to anticipate future uncertainty. The Housing Corporation requires

all RSLs to have a formally approved framework for managing risk. This will include risk mapping, and also cover financial modelling, business planning, project appraisals, market assessments, and the use of internal audit (The Housing Corporation, 2000b, p.1).

At the same time, these risks contained genuine threats and a number of associations paid the costs of this risk culture in the mid 1990s. For example, West Hampstead housing association (WHHA) experienced significant problems as a consequence of experiments with temporary housing schemes (*Housing Today*, 23/11/00) resulting in an accumulated deficit of £11.5m (*Inside Housing*, 27/9/02). A report produced by the London Borough of Camden was highly critical of the lack of transparency within the sector: 'we considered that WHHA operated within what we characterised as a blanket cloak of secrecy' (LB Camden, 2002, p.5). These problems eventually led to the organisation being taken over by a new organisation formed from one of the large London associations, Paddington Churches Housing Association.

The level of risk was also criticised in a report from the National Audit Office (2001) which found that housing association boards 'could not be trusted to provide reliable information about their organisations' (*The Guardian*, 19/4/2001). The study found that when the Housing Corporation inspected their self-assessment returns, 45 per cent of housing associations had to be reclassified from a 'satisfactory state' to 'cause for concern' or 'cause for serious concern' (*The Guardian*, 'Housing associations "cannot be trusted"', 19/4/2001). The report stated:

Weaknesses in self-certification might underestimate the extent of financial risk in the sector. We were concerned that many registered social landlords...listed as satisfactory might have warranted reclassification as observation or supervision cases, had they been visited and their returns been independently validated (National Audit Office, 2001, p.23).

Associations saw themselves as extending their areas of activity, accepting considerable risks in order to exploit new market opportunities. Senior managers viewed these risks as calculated, whilst others concluded that the sector was unable to adapt to these new risk factors.

4.4.3 The entrepreneurial ethos

An important pressure towards an individualist cultural bias was the sense that many senior housing association staff saw themselves as business managers rather than social workers, competing in a competitive environment that required more ruthless entrepreneurial skills.

An early indication that senior managers were moving in an individualistic direction was given in the early 1980s when one manager wrote of a tendency for the issue of accountability to 'excite some ill-founded sense of guilt within the breasts of housing association members' (Mellor, 1983, p.85). Such a view maintained that housing associations should embrace available opportunities and should not be overly worried by concerns about their legitimacy.

Senior managers in the post environment 1988 stressed that they had learnt innovative entrepreneurial skills which had fundamentally changed the nature of their work. One manager of an association formed through the process of stock transfer suggested: 'one member of staff said a few months ago that she used to work in social housing but she doesn't now' (Interview no.7, 25/2/97). This statement illustrated the way in which the new organisational environment has altered perceptions of service delivery, to the extent that an understanding of the concept of 'social housing' provision now referred to very different sets of activities. In general terms changes tended to be viewed more positively by senior-level, strategic managers than by front-line staff. Thus, the introduction of private finance clearly affected the way that staff viewed their role within housing associations, as well as influencing external perceptions of these organisations.

The notion that housing associations had become very different kinds of organisation was consciously adopted by a number of large housing associations in an attempt to differentiate themselves from earlier incarnations:

What we've succeeded doing in the last three years is developing a culture where people are more externally focused. By that I mean people are not simply focused on dealing with the bits of paper that cross their desk, but are concentrating on delivering the outcomes that are required by the work that is presented to them (Interview no.5, 24/9/96).

Such organisations chose to portray themselves as entrepreneurial, with the ability to continually innovate and improve service delivery. As one manager expressed it: 'I think "entrepreneurial" is never resting on your laurels and trying to do things better and cheaper' (Interview no.10, 13/3/97). The purpose of this culture change was to allow staff to 'measure their own performance in terms of their ability to solve the problems tenants bring to them' (*ibid.*). One way of understanding what this meant for housing associations was to contrast these ways of working with previous (hierarchical) working methods. For one manager the previous culture could be expressed in the following terms:

A culture of what you might call 'hanging up your brain with your coat'. People would perhaps come in and simply carry out tasks on an instruction-by-instruction basis and saw their job in terms of complying with procedures rather than achieving outcomes (Interview no.5, 24/9/96).

Related to this concern to divorce the organisation from the procedural straightjacket of the past was a desire not only to distinguish new and old ways of working but also to represent a clear separation between housing associations and local authorities. The new environment was therefore offered as a contrast to both the bureaucratic public sector environment and the traditional amateur nature of the voluntary sector. The view that 'basically we have grown up a bit' (Interview no.13, 11/4/97) was used to express the positive aspects of working in a more individualistic environment. This view of the organisational maturity of the housing association sector was used to demonstrate with confidence how associations were now operating in a 'real world' environment of competition, where organisational failure had serious consequences.

An individualistic approach to management was strongly associated with an emphasis on setting and monitoring targets in relation to customer specifications. The social business of housing associations incorporated a combination of both development opportunities and management skills, creating a deliberate and planned rather than reactive strategy. Managers were encouraged to exhibit a clear and coherent vision alongside measurable indicators of performance. Such approaches implied that staffing and recruitment policies needed to be more effectively focussed upon a much wider range of skills and expertise than hitherto. Managers acknowledged that this would lead to conflicts and tensions between existing and new staff with longer-term employees seen as committed to outdated goals and objectives.

Managers emphasised the need for creative thinking and problem-solving skills rather than housing-specific expertise. A feature of this trend was the open admission, by some organisations, that it was no longer a priority for staff to have housing experience. Training strategies tended to focus on generic skills. For example, the training officer of one of the leading London housing associations commented that their training programmes now incorporate a 'much more holistic, broader range of courses...less about content and more emphasis on behaviour' (Interview no.19, 8/1/98). Thus, in the past training strategies would focus on issues such as 'housing law, rent collection, racial harassment, whereas now we would be talking more about customer effectiveness and improving interview skills' (*ibid.*). For this training officer the competencies required were managerial and not specific to housing organisations: 'we are looking for higher level management skills...People able to negotiate, influence rather than experience in running housing' (*ibid.*).

A further illustration that housing association senior staff no longer needed housing-specific knowledge and skills was provided by the Chief Executive of one of the large London associations:

My own perception is that I have moved away from being a housing policy specialist to having to concentrate on the organisation as a business, leaving the policy applications to specialist Directors who are able to take a more focused view (Interview no.7, 25/2/97)

For many associations the ability to assimilate complex financial information and to run public sector business in an entrepreneurial way was valued more highly than a detailed knowledge of housing policy with some organisations happy to appoint senior managers from backgrounds other than housing.

These problem-solving and decision-making skills assumed precedence over traditional housing skills that were seen as largely redundant. The extent to which managers welcomed the idea of a social business could be ascertained from the following statement:

We have become much more business focused but also a lot more customer focused...everything we do in terms of change will always have a main tenant focus, I guess that's good business...you could say we're no longer like we used to be, well good! Whether that means we're now a business and no longer a value-driven, people-driven organisation, I tend to think we're a bit of both now. We're still a value, people-led organisation but with a much clearer business system focus (Interview no.8, 26/2/97).

Entrepreneurialism was manifested in the way that managers broadly welcomed competition and believed that there was no alternative to organisational change: 'the climate of competition may be a threat, although what is worse is the notion that we could sit on our hands' (Interview no. 10, 13/3/97). Thus the most dangerous outcome was complacency and an inability to change.

A further manifestation of this business culture was the emphasis upon a contractual culture. This was expressed through concerns that the management of change should lead to a shift in organisational objectives:

The question is: "will it keep me in business? Will it keep my team viable? Rather than: "is this the service we want to provide?... To me it

is about: "can we get that bit of business? Can we get that deal?" Underlying it is probably the assumption that it will deliver a better service to somebody out there somewhere. However, that doesn't appear to be at the forefront of decision-making. Ten to twelve years ago, the view was: "we can house six more families". You don't hear that anymore. The view is "if we do that we can have ten more properties. We've won that contract..." (Interview no.19, 8/1/98)

No longer was the primary objective to meet housing need but rather organisations were motivated by a desire to gain an advantage over their competitors. The need to win contracts on a competitive bases and thus to gain an advantage over other organisations became a defining motivation for many contemporary managers at the expense of some of the deeper historical roots of these housing agencies.

For many managers, the strength of working in a housing association environment was their ability to achieve results within this task-oriented environment, thus marking their distinctiveness from bureaucratic cultures. This entrepreneurial culture therefore represented a key element of the new organisational values found within the housing association sector. The following statement from a Chief Executive of one of the major London associations encapsulated the new approach to management:

We have very much a 'can-do' culture. We don't turn any opportunities away without having a good look at them and saying 'can we do this? What is the benefit in terms of our business plan? (Interview no.16, 8/10/97)

The business plan therefore became the central mechanism for determining organisational purpose and corporate strategy. An emphasis on achieving results, on winning contracts and on completing tasks was now the major indicator of organisational effectiveness.

Furthermore, a resistance to regulation was strongly evident amongst housing association managers: 'what we don't want frankly is greater government control' (Interview no.14, 10/9/97). Seeing themselves as providing a social business went hand in hand with a hostility to government intervention,

thereby reinforcing individualist attitudes. A study by the National Audit Office found that 60 per cent of housing associations disagreed or strongly disagreed that the Housing Corporation had the staff with the necessary business experience to regulate the sector (National Audit Office, 2001). Thus there existed considerable scepticism that the regulatory body could exert effective stewardship over the increasingly diverse sector.

More revealing still was the comment from a Director of one of the leading London associations who referred to the 'problem of having to compete with private organisations in the for-profit sector, who did not have the additional pressures of equal opportunities and other regulatory hurdles' (Interview no.13, 11/4/97). Such a comment was highly significant, expressing the view that equal opportunity policies were an additional hurdle to be overcome rather than the *sine qua non* of their work.

An example of the way in which fundamental perceptions of social housing had changed as a consequence of management reform was given as follows:

Ten years ago you would have regarded two thousand old properties in Westminster as a liability. You had to get a housing association grant to do them up. Now, when you wander down to the City two thousand properties in Westminster are a considerable asset. (Interview no. 6, 11/2/97)

Such views indicated how the focus of attention had shifted within the sector. Organisations thus needed to care for their properties not for the benefit of residents, but because they were investments to be protected to enable future business.

An entrepreneurial ethos also manifested itself in a search for new markets and constant attempts at diversification. This involved many large associations extending their activities and areas of operation. The need to attain competitive advantage and to manage risk encouraged associations to manage in a more dynamic, assertive and aggressive way in some

circumstances. As one manager observed:

Local authority housing can be seen as the next slum properties. We set up in the private slums of the 1960s and 1970s. Now we are merely transferring our activity to the public sector (Interview no. 13, 11/4/97).

This statement was used to justify hostility to the hierarchical, municipal sector and to legitimate decisions to widen the scope of housing association activity to encourage market-rented housing and to become involved in stock transfer activity. This activity included bidding for management contracts under the previous compulsory competitive tendering regime of the Conservative administrations, exploring opportunities for market-renting and temporary housing activity. This need to explore new market opportunities meant that developing housing associations expended considerable effort in the pursuit of innovative and creative strategies. These strategies have taken numerous forms, but they have in common a desire to present their organisations as forward thinking, entrepreneurial, professional and risk-taking. They were often driven by an imperative to impress financial markets, and managers emphasised the importance of detaching themselves from hierarchical organisational structures.

The introduction of 'choice-based' lettings systems in 2002 (ODPM, 2002) based around the idea of allowing individuals to bid for preferred properties rather than being determined by a process of administrative allocation showed the way in which the notion of choice was to play a central role in contrast to previous paternalistic styles of housing management. The scheme encouraged social landlords to advertise property vacancies in the local press and for applicants to bid for accommodation. The choice based-lettings scheme was based on growing disillusionment with mechanistic, needs based allocation systems and was premised upon a view of consumers as active agents rather than passive recipients of welfare.

4.5 The responses to individualism

The above pressures have led to three major responses within the housing association sector. First, individualist minded senior managers see themselves as charismatic figures, playing an almost *heroic* role in providing leadership, motivation and vision to inspire staff to take risks and share the vision. Second, there is an increase in *conflict* both between organisations competing for scarce resources and within organisations as staff resist change. Following from this, the final consequence is the *fragmentation* of the sector, as the growing diversity of organisational aims and objectives made the notion of a common housing association 'movement' increasingly problematic.

4.5.1 Heroic managerialism: the Chief Executive culture

An important determinant of individualistic cultures is the importance attached to charismatic leadership skills and strong chief executives as figureheads of organisational identity. This kind of individual emerged within public sector organisations in the 1990s to ensure effective delivery of services through 'steely determination, clarity of vision...flair for persuasion and powerful oratory' (Perri 6 *et. al.*, 2002, p.74). Housing association chief executives increasingly came to present an individualistic image of their organisations, through a symbolic appearance of dynamism and problem-solving approaches; their embrace of competition and their approach to risk management. These cultural trends helped to assist the egos of senior managers and further encouraged the image of heroic leadership found in many organisational text books (for example Osborne and Gaebler, 1994). In many respects these notions of heroism reflected an anti-Weberian model of charismatic authority.

In particular the 'dash to develop' of the immediate post 1988 era mentioned above, was connected to the growth of more individualistic types of senior

managers, concerned to demonstrate their capacity to facilitate organisational growth. However, there was a belief amongst some senior managers that the more extreme individualistic tendencies had been tempered through the experience of the 1990s. This was illustrated in the following comment from the chief executive of the National Federation:

I think there was in that post-1988 period to the early part of the 1990s a chief executive culture, which was all about, 'we are in charge now, we are dynamic, we value growth' and so on. The pendulum swing has gone in the opposite direction, but I think it has settled now into a more intelligent approach to what organisations are about and the impact of a business culture on social outcomes. I tend to resist the argument that housing associations have sold out. It overstates the behaviour of the worst and regards it as the practice of the most. But I think a chief executive culture grew up in a way that made organisations potentially better collegiate ones. Some of the power conflicts that we saw paraded all over the housing press were a result of power struggles of that sort. (Interview no. 12, 8/4/97)

The symbolic role of leaders became a highly significant approach to the management of the voluntary housing sector in the late 1990s. One senior manager of a large London association spoke of the job of senior managers as having to pay much greater attention to 'pressing the flesh' (Interview no. 13, 11/4/97), implying the cultivation of good working relationships with other key individuals had become a key organisational priority. The manager continued: 'this means my job involves attention to things such as marketing, risk assessment, public relations, the business plan and the importance of close personal links with officers and members of local authorities' (*ibid.*) In other words a more charismatic approach to leadership based upon the personal traits of individual directors and chief executives was expected, in order to demonstrate the efficiency, professionalism and problem-solving ability of an organisational figurehead. Such managers emphasised how personal contact and effective social relationships were essential in order to ensure desired organisational outcomes.

A prime example of heroic managerialism can be found in the issue of salaries and compensation payments awarded to senior members of staff

compared to front-line staff and voluntary committee members. The demands of an entrepreneurial culture were believed to require high levels of investment and remuneration for senior managers, further detaching associations from their historical roots. As one manager commented, 'we need additional managers to run finance, however anybody good wants lots of money' (Focus group no. 1, 2/6/99). These levels of remuneration have led to anxieties amongst other staff that the disproportionate attention to financial rewards has detrimentally affected the ethos of the sector. Table 4.1 illustrates increases in the level of remuneration awarded to some of the top managers in the social housing sector. These levels of remuneration led to suspicion about the motivation of senior managers, with individuals perceived to be far removed from the philanthropic origins of the associations.

Table 4.1 Housing Association Chief Executive Remuneration, 1997-2002

<i>Housing Association</i>	1997, £000	2002, £000	% increase
Peabody	91	121	33
London and Quadrant	90	124	38
Paddington Churches (now Genesis Housing Group)	87	100	15
Circle 33	81	113	39
New Islington and Hackney	60	81	35
Shepherds Bush	49	80	63

Source: Noble Financial Publishing (1998); *Inside Housing*, Survey of Chief Executives, 27/9/02

The above figures contrasted starkly with salaries for front-line staff. A survey conducted by *Housing Today* magazine calculated that the average pay of a front line housing officer in London in 1999 was between £17,500 and £21,500. The survey showed an average pay increase for chief executives in 1999 of 7 per cent compared to an increase of 3 per cent for front line staff and increases in average earnings of 5 per cent (*Housing Today*, 25/11/99). The survey also showed that chief executive salaries rose at twice the rate of

rent increases for 1999 (*ibid.*).

The housing press expressed anxiety about the dangers that senior managers would be viewed as corporate 'fat cats' reaping the benefits of 'lavish junkets' and 'over-generous remuneration packages' (*Housing Today*, 17/12/98). By implication the recipients of these benefits would hold ideals far removed from the original voluntary objectives of the housing association movement. A later report from the National Audit Office criticised the compensation payments offered to Chief Executives following from merger arrangements and stock transfer activity (National Audit Office, 2001). A later survey in 2002 found that the average housing association chief executive (with a mean salary of £91,655) earned more than the highest paid council director of housing, with council directors often responsible for greater numbers of tenants (*Inside Housing*, 27/9/02).

These individualistic approaches to management were replicated in recruitment strategies, particularly at Board level. For example, in the appointment of key individuals a member of the management committee of a medium-sized London association commented:

Housing associations were and still are small cliques. The committee members all knew each other and that was how I was recruited... The pattern in housing associations is to recruit by word of mouth. Even though they advertise vacancies, it is still word of mouth (Interview no. 22, 27/11/98).

Thus, from this viewpoint, housing associations only paid lip-service to equal opportunities requirements about recruitment. Others warned of the potential excesses of this notion of the heroic manager by stating: 'All organisations will obviously be driven by personalities, but one shouldn't turn personality into an industry' (Interview no. 12, 8/4/97).

The heroic manager was also seen in the role that housing associations played in regeneration schemes. For a number of commentators the success of such schemes, were a crucial indicator of organisational success and were

contingent upon the individual dynamism and forcefulness of chief executives. Thus a neighbourhood renewal manager explained that 'we know that regeneration depends upon a personality cult' (Interview no. 42, 17/2/03).

4.5.2 Inter- and intra-organisational conflict

An inevitable consequence of increased levels of competition was a marked decline in cooperation and the emergence of a less mutually supportive environment. One manager expressed the problem in terms of a discrepancy between internal and external identities. This was emphasised in the following way:

Quite often there is a public and private stance taken by people. Publicly, they sign up to the need for a level playing field in terms of competition. Privately, they say that they want something else and indeed work and lobby, either to the Corporation or in some cases direct to government ministers, saying 'we are better at this than x, y or z. Give the money to us and you will get more out of it' (Interview no. 12, 8/4/97).

A central theme that was often stressed by managers was that although housing associations operated on a superficial level on the basis of a commitment to mutuality and cooperation, in the final analysis organisations were guided by a strategy of the survival of the fittest where competitive objectives took precedence over collaborative endeavours. The competitive environment heralded an instrumental relationship where organisations would only cooperate if it was in their self-interest. Information was thus perceived as a resource to be traded.

Within the housing association sector, the pressures of competition were mentioned by several managers and were seen to lead to both positive and negative outcomes:

I think the unresolved issue is the question of competition. The extent to which there is a public and private face of organisations. That the public face says we are involved in partnerships, and very many are, but compete like hell often to get into partnerships with other organisations. I don't know that there is any way of putting that genie of

competition back into the bottle (Interview no. 12, 8/4/97).

For the above manager, there was a suspicion that certain organisations functioned according to a hidden agenda raising a problem of trust within this new environment, identified in public policy more generally (Coulson, 1998; Taylor-Gooby, 2000). Relations with partners were clearly problematic in this environment. One manager when asked about partners replied 'you mean our competitors?' (Interview no. 9, 5/3/97) implying the relationship was less than collegiate. This view reinforces the suspicion that there exists a disjuncture between the public and private faces of partnership working. The same individual, when asked, refused to provide a list of organisational weaknesses, which were described as 'classified information' (*ibid.*). This attitude of suspicion that others could gain a competitive advantage could be seen as one of the primary outcomes of the post 1988 regime. A particular concern with the current environment is the extent to which competition will affect the sharing of information between organisations. One manager provided the following example:

You used to go to a housing conference and mention a problem to colleagues and the response would be 'I know how to fix that'. Now they will say 'I'll sell it to you' (Interview no. 8, 26/2/97).

The growth of individualism influenced the willingness of organisations to provide honest and open information about their operations. The strategic priority for managers was seen to be the need to obtain competitive advantage in a wider market. Benefits would thus accrue to departments and ambitious individuals eager to further their career prospects. A further consequence was that organisational transparency was likely to suffer within such an environment. Thus, the Director of a large developing association, in diplomatically phrased language, accepted that: 'we are a touch frugal with information' (Interview no. 9, 5/3/97). Yet another manager expressed it as follows: 'I think the housing association world isn't as open as it used to be. People would quite happily share information, knowledge before' (Interview no. 11, 21/3/97). The implication here was clearly that the culture of openness and trust had dissipated due to the range of commercial pressures and a

perception that contemporary housing associations needed to cultivate a competitive advantage over their rivals at the expense of other organisational priorities.

Associations were keen to portray themselves as willing to work with other organisations and to be seen as equal partners. However, in practice a highly competitive and adversarial culture would often overwhelm attempts at co-operation. An increasing number of associations were perceived as aggressive organisations demonstrating predatory behaviour, for example in preparing bids for local authority contracts under the Compulsory Competitive Tendering regime of the mid 1980s until 1997. This predatory behaviour was intensified by the demands of private finance and cultures of risk management. In particular the practice of associations encroaching on others' territory and seeking new markets in other local authority areas had created a number of inter-organisational tensions. There was thus a growing tendency for supposedly co-operative relationships to be more commonly viewed as based on rivalry and the need to gain a competitive advantage over others. Relationships were often characterised as based on a mutual suspicion, with clear boundaries over what could be shared. Managers seemed constantly aware of the need to gain a tactical advantage over their rivals. They were willing to co-operate up to a point, but there was always a line beyond which they were forced to adopt a more ruthless strategy. As another manager stated:

With regard to other associations there is an important role as part of a consortium. But at other times, for example in considering sites [for development], the situation is absolutely 'gloves off' (Interview no. 13, 11/4/97).

The perceived lack of transparency resulting from a much more competitive also generated substantial conflict. Quoted in the professional housing press, the Chief Executive of one of the largest national housing associations (Orbit) expressed the following sentiment:

My own view is that the sharing of knowledge and experience that used to be part of the movement's ethos has disappeared and everybody

wants to make money at every turn...nostalgia is a wonderful thing but it was much different prior to 1988. There was much more openness (quoted in *Inside Housing*, 8/6/01).

In particular, staff felt that an environment characterised by rivalry and suspicion had undermined the former cooperative styles of working. For example: 'the culture is very cut-throat and competitive. It promotes operating by divide and rule' (Interview no. 25, 4/5/99). As part of a discussion on the future of the social housing sector, one outer London Chief Executive (who had taken the decision to leave the National Housing Federation, see below) gave his view of how the sector had changed: 'When you sit in meetings with chief executives they are all playing their cards very close to their chests. It's not partnership. It's quite the opposite' (Tom Mannion, quoted in *Inside Housing*, 8/6/01). Suspicion between organisations was a common experience amongst housing association managers: 'For RSLs the problem is the competitive element. There is real mistrust between RSLs which is to the detriment of service provision' (Interview no. 36, 8/1/03).

Additionally, relations with local authorities were viewed as increasingly strained. Local authority staff were highly critical of the extent to which housing associations had moved away from their traditional functions. Thus, a local authority neighbourhood renewal manager emphasised the extent to which housing associations had become assimilated into a private sector culture.

Housing associations are social enterprises, but they put enterprise before delivery of social capital. In that sense there is not much difference between their management and that of a private landlord. They are interested in delivering more houses but their tenants do not get the level of support they need. We [the local authority] are not perfect but at least we have the infrastructure to deal with it. We have accountability through political membership...[within housing associations] the lines of accountability are very dissipated (Interview no.42, 17/2/03).

Particular disputes between housing associations and local authorities emerged over rent levels, affordability, allocations and 'cream skimming' (Bartlett and Le Grand, 1993, p.31) where housing associations were able to

exclude residents thought likely to be problematic or disruptive. As the Director of a large London association suggested:

Allocations policy is a central issue as part of the gatekeeping function. We are consciously trying to create balanced communities. This often causes conflicts with the local authority where we are accused of 'cherry-picking', that is not meeting the greatest need (Interview no. 13, 11/4/97).

Housing association staff perceived that their work was undermined by third-party intervention from local authority staff who had little understanding of the needs of their individual organisations. Similarly a common perception amongst council staff was that housing associations were not accountable to the wider community and had a lack of understanding of the broader picture of the circumstances of the local authority.

A proposal from the 'G15' group of the largest London associations illustrated this tension about allocating properties according to housing need. The G15 group wished to ensure that at least 15 per cent of local authority nominations were given to key workers to ensure more balanced communities. However, the (local authority) chair of the association of London directors of housing was quoted as saying 'it fails to recognise that this is a zero sum game...I think that housing associations have failed to engage meaningfully in combating homelessness' (Chris Wood, quoted in *Inside Housing*, 12/12/03).

Local authority staff felt resentful that associations were offered a privileged status as 'self-perpetuating oligarchies' (Davis and Spencer, 1995, p.6) and not subject to the same level of scrutiny or regulation as councils. An example of local authority suspicion towards the housing association sector can be illustrated by the following comments from the retiring Director of Housing at the London Borough of Hammersmith and Fulham:

The majority of RSLs have real governance problems, the committees are largely self-appointed and the people who run them often have no real understanding or personal experience of what it's like to be an RSL tenant or to be poor...Some RSLs are incredibly patronising bodies who...see their role basically as being lady bountifuls. And then you get

the new modernising RSLs whose rents have become so high they trap people in poverty. So you have old-style RSLs that are patronising and pathetic in many ways and the new ones that have lost their way (Interview with Barry Simons, *Housing Today*, 16/3/00).

The above quotation illustrated a measure of satisfaction that housing associations had fallen from a formerly elevated moral pedestal. A widespread concern that associations had usurped their position within local housing policy could be found amongst local authority staff.

Conflicts were evident not only with local authority partners but also with other stakeholders. Thus, in the example of a failed stock transfer on the Aylesbury Estate in Southwark associations were criticised by the chair of the Architecture Foundation: 'There's an assumption that they know what people want...I think they have become too arrogant in the way they feel they can deliver what people want...If they are going to be one of the main vehicles to deliver housing they have got to get their act together' ('Associations told to learn "humility"', *Inside Housing*, 21/1/02).

Furthermore, many critics of housing associations expressed a high degree of scepticism about the ability of associations to deliver key objectives and their overall management performance. Writing in the housing media, the MP Gerald Kaufman complained: 'Too many housing associations are riddled with complacency and too many are inefficient and unaccountable'. Kaufman complained that the sector was carrying out a function (as the sole provider of new social housing) for which it was not equipped. 'It was not their job, was not meant to be their job and they are far from marvellous at carrying it out' (*Housing Today*, 10/10/02). Associations could thus be portrayed as representing the worst excesses of a 'quango culture' and an appointed state sector. One consequence of this level of suspicion was a detrimental relationship between different associations.

A significant feature of the new environment was the extent to which it had changed the behaviour of management committees. Suspicion and a lack of transparency could be witnessed through the example of some members of

associations sitting on management committees of other organisations. In these instances, members were asked to leave meetings until confidential information had been discussed (Interview no. 6, 11/2/97). Conflict was also evident between management committee members. The following comment, from a committee member and community activist of one of the large Shelter organisations provided a useful example of these conflicts:

Housing associations are supposed to be meeting the needs of poor communities, but you need to look at where committees are elected from. People who sit on committees are not generally local people, tenants, people who run voluntary organisations or black groups. They are people such as bankers, accountants. People who don't live or work in the area and I don't think are particularly interested in the area (Interview no. 23, 18/2/99).

Not only was conflict endemic within organisations, but there was much greater scope for intra-organisational conflict. As a neighbourhood manager explained:

Financially we are in competition with the voids [or empty property] team... We have a run in with them and then we get the tenant from hell. It looks bad on the rent collection or the voids performance (Interview no. 48, neighbourhood officer, 14/12/03).

These levels of rivalry required a need to assert primacy in terms of performance indicators; success was therefore dependent on 'who is the most aggressive with the figures' (Interview no. 48, neighbourhood officer, 14/12/03).

In addition, senior managers felt frustrated by the constraints imposed by stakeholders seen as less enthusiastic about the rate of change. Disputes were magnified between those who embraced a 'forward-looking' business culture and others who were keen to emphasise the social objectives of the sector. One front-line housing officer maintained:

The organisation has become more like a corporate entity and I resent that. We have lost our direction. For example the emphasis on Community Development may be useful, but I do not feel it makes the best use of our limited resources (Interview no. 29, 8/12/00).

The tendency for housing associations to appoint Board members on the basis of their financial expertise rather than their ability to be representative of a community constituency raised further conflicts. These disputes were manifested at board level between those with a flair for business management and those wanting to retain a sense of organisational tradition. Stories of tensions between senior managers, committee members and local authorities, resulting in a number of resignations began to surface in the 1990s. One senior manager expressed his concern in the following way:

I think some of the conflicts of the early 1990s were as much about ambitious Chairs of organisations as they were about ambitious Chief Executives (Interview no. 12, 8/4/97).

The above statement illustrated a level of concern expressed that ambition was not confined to executive officers. Some housing professionals felt that Board members were now in a more favourable position than before to shape corporate objectives to meet their own personal agenda. For example, increases in salary levels to attract private sector staff have created tensions between those whose aim was for business excellence and others who placed a higher value on commitment to community development objectives.

Some managers were less enthusiastic than others and were more circumspect about the implications of a more profit-oriented approach. In particular concerns were expressed about the implications in political terms, where housing associations were seen to replace elected agencies (i.e. local authorities) as service providers. As one manager commented:

People do not understand what is meant by 'the rigours of the commercial sector'. Also, is this what our stakeholders want of us? Do they actually want us to be hard-nosed commercial organisations? If we depict ourselves as such, will we lose political respect? (Interview no. 6, 11/2/97)

Such concerns led to conflict within organisations and a common source of tension emerged between staff who welcomed a business culture and those

interested in retaining core values. As the management committee member of a medium-sized London association stated: 'For some organisations "business" means rent increases' (Interview no. 22, 27/11/98). The tensions between providing a supportive and caring social service, set against the requirement to maximise rental income and to ensure an effective, professional social business produced incompatible objectives. As one member of staff commented, the trend in her organisation was to 'focus on financial matters and a need for robust arrears control. Staff are now called "income maximisers"' (Focus group no. 1, 27/5/99). Additionally, housing staff demonstrated a strong belief that they were attempting to shoulder the burden of too many varied responsibilities for which there were inadequate levels of training and support. Thus: 'we should not get caught up with nannying and hand-holding' (Interview no. 29, 8/12/00).

Proposals for payment to Board members also indicated a source of conflict and a further shift away from the voluntary origins of the sector. These proposals have been strongly resisted by many within the sector, but the Housing Corporation and Chartered Institute of Housing both identified a need for reform as a response to the changes in the governance of housing. This debate about appointing 'professional' board members has resulted in severe conflicts between housing associations and the Housing Corporation with press coverage predicting that housing associations were on a 'collision course' with their regulator over the issue (*The Guardian*, 22/3/01). The proposals met strong resistance from a number of Chief Executives concerned that the voluntary ethos of the sector would be abandoned (*Inside Housing*, 25/10/02). Nevertheless, by 2003 the Housing Corporation had changed their position and proposed that Chairs of the largest associations could earn up to £20,000 per annum if a business case could be made (the Housing Corporation, 2003a).

4.5.3 Institutional fragmentation: the end of the 'movement'?

A final consequence of the increased sense of individualism amongst

organisations in the social housing sector was the unwillingness to characterise the diverse housing association as any longer constituting any sort of movement. One indication of this change has been the resignation of one outer London housing association (Irwell Valley Housing Association) from the National Housing Federation. The ostensible reason for the cancellation of membership was the 'southern bias' of the Federation and a statement from the association claimed that there was no longer a movement but a 'housing business'. The Chair was quoted as criticising Federation conferences where 'people pontificated about the same old thing' (quoted in *Inside Housing*, 1/6/2001). The Chief Executive of the organisation was quoted as follows: 'The Federation still operates as if it were a movement; a lot of enlightened wonderful people all working together. But it is a different world out there...There is a housing business but no movement. That finished in 1988' (quoted in *Inside Housing*, 1/6/2001). Although this decision did not promote a flood of applications from other associations to cancel their membership of the Federation, this decision marked a significant blow to the collective identity of the sector. The level of fragmentation was expressed by one senior manager who commented that the 'fissiparous tendency is much clearer since the [post 1988] changes' (Interview no. 12, 8/4/97).

A number of writers commented that by the late 1990s the housing association sector no longer possessed a coherent identity as common organisational purposes were eradicated over a relatively short time scale:

within ten years the association 'movement' had effectively been pulled apart, with members expressing increasingly disparate views over their most appropriate future role (Blake, 1997, p.182).

The fragmentation of the sector was most clearly apparent in the early 1990s. Reflecting on his initial appointment as Chief Executive of the National Housing Federation, Jim Coulter commented:

When I came in, and in the first two or three years of the financial regime, up to about '92 or '93, there was a real risk of fracturing... People were not just competitive, they were nearly hysterical (quoted in *Inside Housing*, 24/6/05).

An indication of the low level of collective identity was illustrated by the fact that senior managers expressed frustration that the constraints of the traditional cultures of the sector prevented them from exploring business opportunities. For example, a manager of one of the large London associations complained that:

We have loads of ideas, but it is also about how to pull those together into a co-ordinated strategy. I think that sometimes board members and residents don't understand what a broad business it is (Interview no. 16, 8/10/97).

The lack of identification as part of a common movement engendered by the culture of individualism may have the result of 'making it harder for housing associations to act collectively in resisting the annual reductions in the levels of their grants, the imposition of unwanted regulations or pressures to take up roles with which they are uncomfortable' (Best, 1997, p. 116).

Many managers expressed concern about the longer-term impact of change and the tendency towards isolation. A frustration that old ways of working could still exercise a dominant influence was expressed in the following way:

There is a lot of focus on costs which in some ways has meant people focusing inwards and into their own team and department and becoming less corporate and more: 'I need to look after my own little business'. I can see that happening in senior manager attitudes: 'what effect will it have on my own little business?' Not: 'is that for the good of the [organisation] as a whole?' (Interview no. 19, 8/1/98).

The above comment illustrated the way in which the focus of association activity had shifted towards a business ethos rather than a social welfare model. The pressures of competition were such that the key objective of housing association activity (to provide affordable housing to families in need) had become lost in the attempt to sustain competitive advantage.

Individualists were those who embraced risk, welcomed the autonomy offered and who were energised by the challenges of new corporate cultures. As has been observed, the competitive culture has created enormous dilemmas for the notion of a housing association 'movement':

Constant financial pressures and high levels of competition can bring insecurity, a loss of confidence and a less pioneering and imaginative approach...this enlarged sector may lack the sense of social significance, solidarity and creativity which characterised many of the struggling housing associations of the past (Best, 1997, p.119).

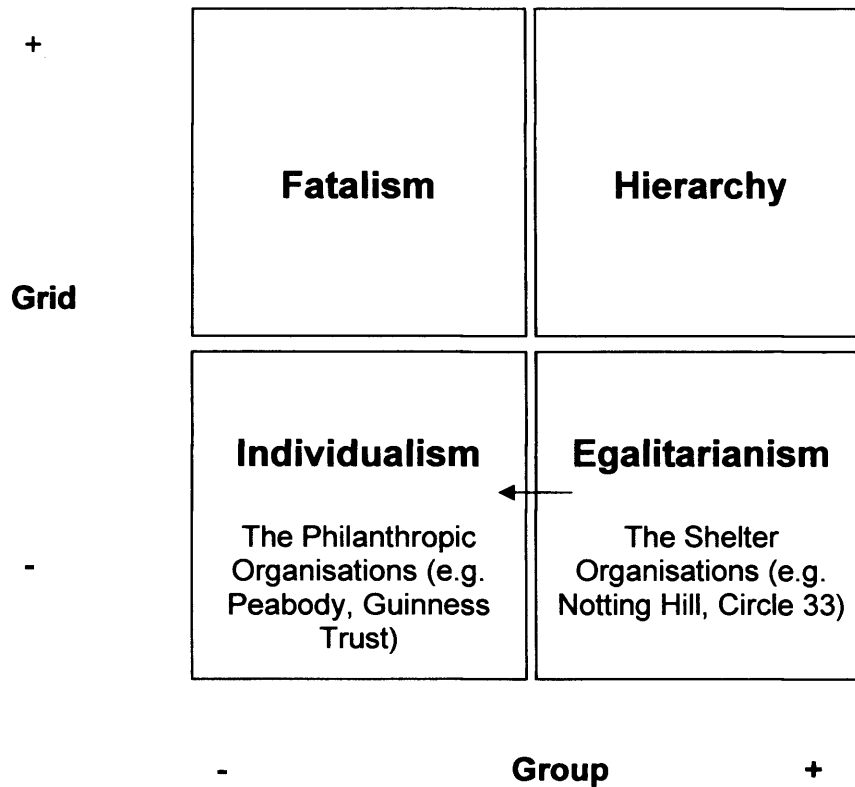
The leading housing associations, with the largest development programmes and closest access to government decision makers, have been described as 'very akin to private sector developers' (Lowe, 2004, p.58). The larger organisations were described as 'powerful associations...not simply being driven by government policy but...able to choose what they become involved in' and 'not simply reacting to government directives, but increasingly able to shape them' (*ibid.*). Although Mullins and Riseborough (2000) contend that there was still a strong sense of social purpose and respect for the history of voluntarism amongst the more influential organisations, this reflected a defining of their 'territory' rather than shaping strategy and management style where commercial judgments and business efficiency demands had a clear priority (2000, p.85). The growing tensions between organisations about the future role and direction of the sector have meant that the notion of a collective organisational identity is becoming increasingly untenable given the interest of the larger organisations to pursue their own self-interest. The sense that housing associations had become detached from their historic role demonstrated the extent to which organisations pursued individual goals without regard to the broader collective objectives of a voluntary sector ethos.

4.6 Conclusion

Individualism was a key aim of the Housing Act 1988 and in effect returned housing associations to their philanthropic origins. The emphasis on 'mixed funding', the introduction of an uncertain environment and the use of associations as the main providers of new social housing imposed a number of significant pressures upon associations returning these organisations to their individualist roots. The 1988 reforms resulted in an irreversible set of processes wherein rivalry, conflict, new markets and large salaries became a permanent feature of the housing association sector. Individualistic cultures were permanent, far-reaching and highly attractive to senior managers. Individuals were attracted by what were seen as high 'fat cat' salaries, seeing themselves as 'heroic' entrepreneurs. They were attracted by a removal of unnecessary red tape, offering opportunities for risk-taking and innovation.

However, individualism brought its own difficulties, including a perceived lack of accountability in the sector and highly confrontational relationships between housing associations and between management committee members and Chief Executives. Moreover, responses to the legislative changes in the early 1990s showed that individualism was pushed to a peak and the government had to intervene. The 'competition mania' and 'dash to develop' amongst senior managers led to a cash crisis for the Housing Corporation in the early 1990s. Unfettered competition resulted in a number of cases of fraud and concerns were expressed at the unaccountable nature of the sector. These developments indicated that an individualistic culture was not sustainable over time; Government was not prepared to continue to offer unlimited subsidy and increasing concerns were expressed at the direction of change within the sector. In that sense housing associations were victims of their own success. Figure 4.1 indicates the direction of change towards individualism amongst the majority of housing associations in the wake of the Act.

Figure 4.1 The rise of entrepreneurialism, post 1988



The Housing Act 1988 clearly resulted in an enhanced individualistic organisational culture. One of the main casualties of the injection of individualism was the egalitarian worldview which had been such a strong feature of many of the original London housing associations. It is this egalitarian worldview that is the focus of the next chapter.

Chapter 5

THE NEED FOR ROOTS: EGALITARIANISM IN HOUSING ASSOCIATIONS

Governing boards...carry a special responsibility as the guardians of the organisation's sense of social mission...Housing associations (to adapt Burke) represent an implicit contract between past, present and future generations. It is therefore the particular responsibility of governing bodies to ensure their integrity of purpose, whatever the current pressures and temptations, by defining the criteria of performance to ensure that new ways of meeting goals do not displace those goals themselves (Klein and Day, 1994, p. 32).

5.1 Introduction

As discussed in previous chapters, the Housing Act 1988 presented significant challenges to the housing association sector. Its importance can be viewed in two ways. On the one hand, the Act can be seen as an example of a 'punctuated equilibrium' (Baumgartner and Jones, 1993; Krasner, 1984; Peters, 1999, p.68) whereby the balance of the housing association sector was disturbed by a radical reform, which fundamentally reshaped its institutional development. On the other hand, housing associations can be viewed as 'path dependent' (David, 1986) or locked into certain patterns of behaviour to the extent that they have predetermined directions, which have been highly resistant to change. One way of exploring this dichotomy is to analyse the extent to which the original goals have been discarded or retained. How far has organisational change amended their core principles? What remains of their original purposes and values?

In order to understand the trajectory of change, it is necessary to explore the historical development of some of the key organisations active in the current environment. The concept of 'sedimentation' (Tolbert and Zucker, 1999,

p.175) can be used to analyse the ways in which the cultures of contemporary organisations comprise a number of objectives, but are decisively influenced by a need to demonstrate their allegiance to original purposes. Current practices develop from a historical context; a study of underlying attitudes can explain how basic values are formed and maintained through organisational narratives. Such biographies of organisational development illustrate how institutions respond to current and future challenges. Organisational culture comprises a complex set of current and historical norms with contemporary practices permeated by 'layers of values and understandings deposited from earlier times' (Peters, 1999, p.104). Cultural change therefore involves not only the rejection of past practices, but equally importantly a decision to retain the core and distinctive characteristics of historical organisational identities. Although organisations may be transformed over time, they retain much of their past history. They are not entirely confined by the past but over time redefine themselves as well as reflecting their historical development. Organisational change therefore 'involves developing new understandings and symbols that are not incompatible with those that were in place before' (Peters, 1999, p. 104). Such a view conflicts with interpretations that see little resemblance between previous and current incarnations of the sector, where organisational change is viewed as a radical transformation to create an entirely new entity.

Conventional interpretations of organisational change in the housing association sector perceive the 1980 reforms as representing a historic break or 'paradigm shift' for housing associations (Walker, 1998a, p.108). Thus, writers spoke of a 'new regime for housing finance' and a 'shift from comfort to competition' (Walker, 1998b) with the 1980s reforms marking a 'revolution' in housing policy (Cowan and Marsh, 2001, p.6).

Thus, the new, dominant housing associations had rejected their heritage, resulting in 'increasingly tenuous links between the super league organisations and the traditional values of voluntarism' (Malpass, 2000a, p.7). According to these analyses the consequence has been a fundamental and irreversible change in the organisational culture of the sector:

Voluntary housing has been changed, virtually out of recognition, transformed to the point where the voluntary element is of symbolic relevance only, and there is no evidence to suggest that this is likely to be reversed in the future (Malpass, 2000a, p.272).

However, whilst such views lay great emphasis on the profound nature of change, they fail to account for the continuities with the past found amongst many contemporary voluntary organisations. As discussed in chapter three, a crucial period in the development of the sector was the experience of the London housing associations in the 1960s. These organisations carried a strong notion of organisational identity as they assimilated the management reforms of the late 1980s.

The objective of this chapter is therefore to consider how the historical egalitarian cultures of housing associations have survived and how this ethos provides both opportunities and constraints in guiding organisational behaviour. The chapter is divided into two sections. The first considers the main pressures towards egalitarianism, namely the *historical legacy* of the housing association sector, the *governance structure* and the need for *partnership working*. The second section discusses the effects of egalitarianism seen as *organisational conflict*, *false expectations* and ultimately *self-destruction*.

5.2 The pressures towards egalitarianism

Egalitarianism rests on high group and low grid relationships. Egalitarian organisations are likely to display a strong sense of social solidarity and to be resistant to central regulation and control. Institutional values are governed by peer pressure and a strong sense of ownership and attachment to group objectives within cooperative relationships (Stoker, 2004, p.72). The ideal form of egalitarian organisational design is that of a communitarian, radically decentralised, self-governing unit (Hood, 2000, p.120). Egalitarian approaches to organisation are said to involve three main elements: group self-management, control by mutuality and maximum face-to-face

accountability (Hood, 2000, p.122). As will be shown, the traditions of the housing association sector strongly emphasise these aspects of organisational design.

5.2.1 A low grid sector: the historical legacy

The housing association sector in London is primarily comprised of small organisations. Over 400 of the 440 housing associations in London have less than 250 units. Whilst the most obvious manifestation of egalitarian values is in the co-operative housing sector (which is not part of the present study) the values of cooperative housing associations have permeated many of today's mainstream organisations; some of which originated from tenants movements. Thus Notting Hill Housing Trust emerged from the struggle by residents against the exploitation of Rachman in West London (Milner Holland, 1965) and Circle 33 Housing Association worked with the Holloway Tenant Cooperative to form a campaign to buy empty private properties in an increasingly gentrified inner London area (North Islington Housing Rights Project, 1976; Power, 1988b). The fact that a large proportion of senior executives who began their careers in the 1960s, at the time of campaigns against private landlords and the coercive nature of local authority slum clearance programmes has helped to shape the values of many of the largest London based organisations (Cope, 1999, p.10).

As shown earlier, housing associations historically defined themselves largely by their hostility to central hierarchical regulation. Their organisational identity was forged by the image that they offered a flexible and responsive approach to public policy in contrast to municipal landlords. An underlying principle of the sector was its basis in independent, small scale and locally based organisations:

A 'small is beautiful' philosophy combined with an interest in community involvement and 'power to the people'... seemed more achievable through the more intimate structures of a localised housing association (Best, 1991, p.152).

An enduring commitment to community initiatives was evident in the *Shelter* organisations, which continued to produce material reiterating their roots as radical, campaigning organisations, preventing homelessness and meeting housing need. Possessing a specialist local knowledge, rooted within local communities and founded by local activists, in large part they were formed as a contrast to the established philanthropic associations (Malpass, 2000a, p.144) which were more inclined towards individualistic goals.

The main focus of the community-based housing associations was on small-scale rehabilitation schemes emphasising their role as local, responsive and idealistic organisations. In particular, housing associations were keen to stress their autonomy from central government; a relationship marked by a strong level of mistrust. Speaking of his period as Chair of the Housing Corporation in the early 1980s, Sir Hugh Cubbitt referred to 'a time when I was doing my bit to persuade the government that housing associations were not all communist cells and trying to persuade housing associations that government was not all Genghis Khan' (quoted in *Inside Housing*, 2/7/04).

At the time that proposals for change were being formulated in the 1980s, housing associations vigorously protested their independence in the face of growing pressures to conform to a central government agenda and act as a replacement for state welfare agencies. This resistance was manifested by a reaction against what was seen as an excessive and burdensome regulatory regime. As an example in the early 1980s the federation representing the housing association sector stated:

Controls must not stifle the initiative and flexibility of the Movement. Attempts to regulate all aspects of association behaviour are not only an extravagant use of resources, but in the end destroy the speed, efficiency and sensitivity, and ultimately the purpose of associations themselves (NFHA, 1983, p.6).

Regulatory constraints were countered by organisational responses that re-emphasised a commitment to core objectives of flexibility, responsiveness and local autonomy. A history of Paddington Churches Housing Association (PCHA) illustrates how the desire to remain faithful to their core objectives continued to have strong reverberations:

PCHA had grown into a substantial organisation, but still retained its soul. During the 1980s, as the pressures of political and economic change intensified, the need to maintain this attribute became ever more important (Mantle, 1995, p. 21).

One of the distinctive marketing strengths of associations was that they were better equipped to meet local needs than their local authority counterparts. Attempts to constrain the autonomy of the sector were thus seen as inimical to the core values of the London associations. In a similar vein, the introduction of common accounting procedures (the Statutory Form of Accounts) in the early 1980s was seen to impose intolerable pressures: 'creating an enormous burden of extra administrative work without a clear and more comprehensible result than the previous arrangements'. An antagonism to rigid rules and regulations was strongly held by many within the sector, leading the federation to assert that 'associations will always resent external supervision, scrutiny and control' (NFHA, 1983, p.6). Thus, before the introduction of the 1988 Act their professional identity was determined by a strong sense that they would resist hierarchical governance. An official history of one of the 1960s organisations (Paddington Churches Housing Association, PCHA) endorses a statement by its founder that 'I regard what I do as the fulfilment of a ministry'. This statement was seen as representing the 'spirit' of the association (Mantle, 1995, p.21). This organisational history illustrates how the desire to remain faithful to their core objectives continued to have strong reverberations.

This theme of retaining a core organisational identity in the face of fundamental change represented an important incentive for many contemporary housing associations. Those associations with 'Church' in their

name were founded by religious groups, carrying a strong moral imperative to improve social conditions in the London area. These origins played a central role in determining the response to later proposals for change. The history of Paddington Churches concludes with a quotation from a regional manager of the association:

The bigger you are, the harder it is to keep in touch with people. But, if you are committed to what you are doing, and you can remember what your roots were, you can do it...you can keep in touch (quoted in Mantle, 1995, p. 39).

These historical roots can be seen as the bedrock of today's social housing sector. Despite experiencing rapid and intensive organisational changes their origins remain firmly established within the contemporary organisational culture. The core identity of these organisations was intrinsically connected to their local presence and their roots as small-scale, responsive landlords. Their origins in fighting against injustice, particularly amongst profiteering private landlords represented an enduring organisational ethos, particularly at Board level.

Ten years after the introduction of the 1988 Housing Act, associations continued to derive considerable benefit in emphasising their historical origins. In a foreword to a collection of Octavia Hill's writings, the Chief Executive of the Octavia Hill Housing Trust stated: 'Two years ago we decided to begin each Committee of management meeting with a reading from something either by or about Octavia' (Ounsted, 1998, p.v). The statement showed how the vision of the organisational founder continues to exert a strong influence upon contemporary strategies. This comment was instructive as Octavia Hill had long been regarded as a controversial figure amongst housing professionals, criticised for her authoritarianism, middle-class paternalism and judgmental moralistic approach to her tenants (Malpass, 1984; Spicker, 1985; Clapham, 1997). Notwithstanding the substantial criticisms, managers were keen to emphasise their continuities with earlier periods at times of organisational transformation.

The extent to which the community development function is inherently related to the historical legacy of many housing associations can be seen in a research study of a number of contemporary developing associations (Smith and Paterson, 1999). The study concluded:

For the majority of associations participating in the research, the key factor influencing the nature of their community investment activity is their cultural and historical roots. Some were established as a result of their community activity and were clearly intended to act as social or community-based organisations. Others were set up with the specific aim of taking a holistic view of the needs to the community they serve with a clear recognition - reflected in their rules - that housing is only a small part of what is important to their tenants (Smith and Paterson, 1999, p.6).

What was significant here was that many of these housing associations always saw their mission as broader than simply providing accommodation. They therefore had a much wider sense of their community role than traditional local authority landlords. For some writers, contemporary housing associations were simply engaged in a process of 'mythologising a common sense of history and purpose' in order to preserve housing associations monopoly access to government capital subsidies (Mullins, 1997; Mullins *et al.*, 2001, p. 618). According to these accounts, the concept of a shared history and common purpose was simply seen as an opportunistic attempt by the voluntary housing sector to take advantage of the benefits of funding systems. In contrast, the sector has always viewed their position as egalitarian in principle. For example, interviewees from black and minority ethnic organisations stressed that the roots of housing associations were founded upon a strong tradition of community involvement:

I think there is a group of housing associations, who in terms of culture, background, history are very much geared towards community empowerment. These area housing associations...have largely fought on the campaign of providing better housing for poor working people and also on the premise of anti-poverty; all these people were interested in the common good (Interview no. 24, 18/2/99).

However, despite the emphasis on their strong community links, mainstream housing associations were often criticised for their complacent attitude towards equality and in particular issues of race. In a report published in the early 1980s, the response of housing associations was criticised as tokenistic, remote and perpetuating disadvantage (NFHA, 1983b). The consequence of the dissatisfaction with the mainstream sector was seen in the development of new organisations that specialised in service delivery to minority communities. These organisations are commonly referred to under the generic term 'black and minority ethnic' (BME) organisations. Defined as organisations with at least 80 per cent of governing bodies drawn from minority ethnic communities, these organisations carried an egalitarian torch into the 1980s. In London there are 35 such organisations owning a total of 15,300 units (Hammond and Tilling, 2003).

A Housing Corporation (2003b) study emphasised the strong historical roots of the BME organisations as 'often drawn initially by firm political views in which the purpose of community empowerment was achieved by the creation of well run, professional black organisations' (p.14). Furthermore their 'cultural identity...is defined as both the desire to house a specific community and the retention of a vision of community empowerment as a means to combat discrimination'. In general these organisations are seen to have 'remained true to their original aims' (*ibid.*). Table 5.1 illustrates the main BME organisations operating in the London area.

Table 5.1: The major black and minority ethnic (BME) housing associations in London

Name of housing association	Number of units owned in 2003	Number of local authority areas of operation
Ujima	4,200	19
Presentation	3,651	23
ASRA	2,021	25
Kush	656	6
Bnai Brith	553	8
Inquilab	537	6
North London Muslim	470	3
Agudas Israel	419	4
Innisfree	400	9
ARHAG	367	11
Spitalfields	352	2
Shian	302	3
CARA	292	4
Labo	240	2
Croydon People's	214	4
Refugee	168	23
Pathway	159	1
Black Roof	123	2
Ekaya	122	4
Lien Viet	111	4
Westlon	91	2
Odu-Dua	86	3

Source: the Housing Corporation: *Register of Social Landlords*

This sector has had a relatively recent history. In 1983 there were only 4 registered black led housing associations out of a total of 2000 in England. In 1991 the figure had increased to 44 and by the late 1990s there were over 70 such organisations (Blackaby and Patel, 2003). The table also shows that with the exception of three relatively large organisations, the majority are limited to a small number of geographical localities. The BME sector as a whole continues to emphasise its commitment to collective goals. For example, ASRA housing association, an organisation largely catering for the needs of Asian communities states: 'our mission is to empower residents and we believe that no one should be discriminated in life by where they live' (www.asra.co.uk).

These BME organisations can therefore be seen as representative of a new form of egalitarianism reflecting wider trends connected to the growth of single-issue protest groups. This trend has been pronounced within the housing association sector which encouraged the development of a black and minority ethnic sector as it struggled to gain legitimacy. For managers working closely with minority ethnic housing associations, the benefit was the potential to foster a distinctive purpose and identity:

Black housing associations have been born out of anti-racism struggles, anti-immigration, conflicts with the police and statutory agencies. If you look at the history of black organisations they have been born out of struggle and the people on the management committee are those community activists (Interview no. 24, 18/2/99).

In contrast to the established analyses of the 1988 Act, housing associations have continued to be influenced by their historical origins, which have exerted a profound impact on organisational culture and values. Those interpretations of housing policy that ignore the historical origins of these organisations seriously underplay how the sedimentation of values continues to influence their current development. Moreover, in addition to these historical roots, housing associations have other influences that affect their philosophy towards an egalitarian direction.

5.2.2 The governance structure

A distinctive feature of the structure of housing associations is their governance by a voluntary management committee (or 'Board'). It is this feature that ensures much of the egalitarian traditions and organisational identity is retained. The need to stress the egalitarian credentials of housing associations became far more pronounced with the advent of the 1988 Act with the perception that associations had replaced democratically elected local authorities. Organisations felt a need to demonstrate their legitimacy which was achieved through emphasising their (low grid) autonomous roots and their commitment to a (high group) collective ethos.

The legitimacy of housing associations was primarily premised upon the fact of having a greater level of face-to-face accountability than the local authority sector, through their small-scale basis and geographical location. Their governance by community stakeholders was also held to contribute to their ability to meet housing need in a more flexible, responsive and accessible way than their local authority counterparts. The role of the management committee was a crucial element in retaining organisational identity and representing this accountability. Particularly important in this respect was their role in maintaining pressure upon senior managers and in acting as an organisational 'social conscience'. The role of management committees can be expressed as follows:

It is the function of the members of the governing body to test, to scrutinise, and to challenge the recommendations, performance and policies of officers, and in the last resort of course, to change those officers. In short, they have to be sure to hold their officers to account, since otherwise they themselves cannot be accountable for the performance of their organisation and cannot fulfil their legal obligations (Klein and Day, 1994, p.32).

This definition of accountability sees the function of corporate governance as defining core organisational values and principles. Despite the lack of democratic credentials through electoral means, housing association board members were keen to stress that their legitimacy lay in a more fully representative form of participatory democracy.

In the immediate aftermath of the Act and throughout the early 1990s, a fundamental criticism of housing associations related to their lack of accountability; housing associations were viewed as having a 'tarnished' image due to their lack of transparency and elitist tendencies (Mullins and Riseborough, 2001, p.162) and there was considerable debate about the perceived 'legitimacy gap' compared to local authorities with considerable attention focused on the governance arrangements of these organisations and the composition of management committees. Several studies (for example, Nolan, 1996; Kearns, 1997) criticised a tendency to rely on patronage where recruitment was conducted on the basis of informal personal

contacts and a general lack of transparency within the housing association sector. One of the main criticisms of housing association management committees was that they functioned as 'self-perpetuating oligarchies' (Mellor, 1983, p. 84; Davis and Spencer, 1995). Hence, in most cases elections to committees were uncontested and nominations were usually of people already co-opted onto the Board.

The role of the Board therefore became crucial in order to demonstrate the accountability of the sector as a Director of one of the major London associations commented:

Local authority councillors claim they have the moral high ground, they are elected, and they are directly accountable to their constituents. They can ask "who are these housing associations, to whom are they accountable, and to whom are their boards accountable". I think housing associations have some problems in trying to be robust against local authorities as a consequence of that (Interview no. 6, 11/2/97).

Housing associations faced a continuing struggle to establish their legitimacy. Local authorities were able to impose their will more effectively through their democratic mandate, meaning that associations needed to find more creative ways of establishing a local legitimacy.

The response to these criticisms in the mid 1990s was to pursue a strategy of 'decontamination' to reassert the democratic credentials of the sector (Mullins and Riseborough, 2001, p.162). This strategy meant that organisations were eager to show how they could be more accountable to local community needs than the statutory sector. These pressures manifested a collective response on the part of Board members to emphasise the founding principles of the organisation. Their legitimacy was therefore presented as somehow more 'genuine' than the spurious democracy offered by local authority structures and Board members were critical of narrow definitions of accountability. The following view illustrated how Board members tended to look at the notion of accountability:

The question is, what is the spectrum that is acceptable from democratic election at one level through to whatever form of appointment takes place in housing associations that is legitimate, and what does that legitimacy require as a way of accounting back to those who sent you there or in whose areas you operate? (Interview no. 12, 8/4/97).

Legitimacy within housing associations was thus viewed as a dynamic process and accountability was understood in broad sense, connected to management performance to stakeholders. The problem of legitimacy within the housing association context was encapsulated in the following comment from one Chief Executive:

By definition housing associations...deliver a different product [from local authorities]. I think the interesting question about the legitimacy issue, is: "what are the characteristics of the organisations that provide community services, and how do they secure their legitimacy"? Is it legitimacy to be elected by forty percent of the populace locally and say "that's it, there is no other structure", or is legitimacy defined in community based organisations that work in neighbourhoods? (Interview no.12, 8/4/97).

There existed a strong determination amongst community representatives and management committee members to hold organisations to account and ensure that these traditions could be retained. Referring to this egalitarian history a representative of the minority ethnic sector commented: 'for some housing associations it has always been there but in their scope to become professional they have lost it and they have to be reconnected to it' (Interview no. 23, 18/2/99).

The importance of the Board in retaining the core values was illustrated by the Chair of one large housing association when he claimed: 'The Board is very jealous of the things they believe in' (Interview no. 23, 25/1/99). This pressure on the Board to act as an organisational conscience resulted in much soul searching about the role and purpose of the management committee. As one committee member explained:

There has been a lot of debate internally about who owns the organisation. What is the role of the Board? We have moved away from a model of the Board being representative of stakeholders (one person

from this and that local authority, one tenant, one leaseholder from a particular area). We have moved away from that on the basis that it may look good in political terms, but if those people can't actually make good decisions, then you have a problem. So there is the problem of having a more business-like Board, dealing with a complex environment capable of actually dealing with strategic issues, some of the imperatives of which run counter to wanting to be representative. It is competition versus representation (Interview no. 6, 11/2/97).

The centrality of the Board in determining organisational values was viewed as particularly important in the case of minority ethnic organisations. Thus, as the Director of the Federation representing this sector commented:

They have to provide an effective housing service, so they don't forget where they are coming from. The committee and the staff won't allow them to forget that (Interview no. 24, 18/2/99).

The implication of the above statement was that other mainstream housing associations had, through their pursuit of growth, lost their radical edge. It was therefore left to the black and minority ethnic (BME) sector to carry the torch for an egalitarian housing policy. Such comments reflected the view that the BME sector shared a stronger sense of its original purpose and values and was more effective than mainstream associations at representing the needs of disadvantaged groups. Thus, 'black housing associations, even though they don't have the financial clout of mainstream associations; they have got what it takes to develop this new housing agenda' (Interview no. 24, 18/2/99)

The role of the Board was also illustrated in the following quote from a committee member of a medium-sized London association which illustrated the objective that minority ethnic pressure groups wanted housing associations to promote:

The important thing is for housing associations to be proactive rather than reactive. They have to take on the role of campaigning organisations and go back to where they started from: helping those nobody looks after; to be a voice for marginalised groups. They are no longer that voice (Interview no. 24, 20/11/98).

Such committee members claimed that today's housing associations had lost their radical, campaigning identity. Furthermore, resistance to proposals for Board member remuneration (discussed in chapter four) illustrated the strong egalitarian tendencies of the BME sector. Thus one organisation was quoted as follows in the Housing Corporation responses to the consultation paper: 'we believe that this proposal would seriously devalue the concept of a public service on which social housing is based' (quoted in the Housing Corporation, 2003a, p.4). A similar sentiment was provided from a Board member of an unnamed association:

the proposals are far more likely to damage than strengthen housing associations[...] the net result will be no overall increase in the quality of board members or governance...but substantial financial and ethical costs, a lower reputation and the loss of an ethos which has served both associations and communities well (quoted in the Housing Corporation, 2003a, p.4).

The above quotes illustrated the continuing resonance of an egalitarian ethos amongst Board members. Yet the fact that the proposals were nevertheless implemented showed the declining influence of these organisations upon central government thinking. Nevertheless, the governance structure encapsulated the ways in which housing associations were compelled to retain their egalitarian credentials.

5.2.3 The strong group: partnership and mutuality

What Hood (2000) terms control through 'groupism' implies 'maximum face to face group interactions between public serviced producers and clients, and as far as possible a dissolution of the difference between "producer" and "client" altogether' (p.62).

The high group values of the sector can be shown by the need for housing associations to emphasise the importance of a common purpose. This need has been a particularly strong feature of many housing association responses following the 1988 Act. The Act not only increased competition between

housing associations as discussed in previous chapters; it also introduced a strong emphasis upon the principles of partnership and mutuality, seeing housing policy as more effectively delivered through a pluralistic network of organisations (Goodlad, 1993; Reid, 1995). The Chief Executive of the National Housing Federation expressed the view that the most central value for housing associations was their commitment to a collective endeavour to improve the fortunes of an oppressed group of residents and the strong ethos of mutual co-operation:

What's important is the values-driven focus of not-for-profit housing – the commitment to independence, performance, accountability, equality and partnership... These are the characteristics that bind us together' (Jim Coulter, quoted in *Inside Housing*, 8/6/2001).

These high group values were also stressed in a document produced by Notting Hill Housing Trust in the 1990s emphasising how these strategies were to be developed. The document states:

As one of the country's leading housing associations we have learnt, through over 30 years of experience, that simply building or refurbishing houses is not sufficient to bring new life to depressed communities. Our real business is regeneration... We believe in successful regeneration based on three key principles: trust, partnership, vision (NHHT, undated, p. 2).

By the mid 1990s, the need to develop effective organisational partnerships with a range of agencies occupied a central position in housing association strategies. These partnership models were based on the assumption that the delivery of housing services by unitary, monolithic organisations was redundant. According to these views, the delivery of housing policy was firmly viewed as a collective endeavour. The belief in the value of these partnership arrangements was reflected in an assumption that organisational synergy would be facilitated through a mode of working which valued mutual respect and reciprocity.

By the end of the 1990s, contemporary organisations were placing great belief in the efficacy of mutualistic strategies. The outcome of more co-operative

approaches to management was reflected in the understanding that 'housing policy' in isolation was ineffective. Consequently:

It could be argued that we will be hearing less and less of 'housing' associations, 'housing' budgets, even 'housing' ministers in the years ahead. That language has become too tribal for the new regeneration era. The emphasis is now on partnership - and a new language is emerging as a result: broad agendas, joined-up-thinking, holistic approaches and multi-agency agreements (Dwelly, 1999, p.6).

Such claims indicated how the focus of housing association activity had moved towards more collective and collaborative models of meeting housing need. These approaches were based on a strong model of cooperation and self-organising network approaches to management, containing firm principles of mutualism and effective joint working. The notion of a new social housing agenda following the 1997 General Election was a key preoccupation for committee members. One respondent representing minority ethnic organisations viewed the New Labour agenda as 'less to do with making a profit and more to do with community reinvestment' (Interview no. 24, 18/2/99).

A commitment to the principle of mutuality was outlined by a representative of the Federation of Black Housing Organisations (FBHO). This respondent outlined the organisational objectives in the post 1988 environment: 'to develop a new culture for housing associations, a much more progressive culture which takes on issues of ethnicity and gender in communities. That is the ambition, to develop a new forum for debate and action...' (Interview no. 24, 18/2/99). This view stressed the need for the voluntary sector to play an oppositional role, congruent with the views of Hedley (1995) writing of the voluntary sector as a whole: 'the real strength of the voluntary sector is its actual diversity and its role must be one of dissent' (p.111). This concept of opposition can serve as an important motif for the housing association sector in general as it tackled the dilemmas of becoming an integral part of a restructured welfare state system. The radical, dissenting role played by ethnic minority organisations, based on a foundation of a collective

organisational response to government policy was viewed as the distinctive contribution of these specialist and generally small-scale associations.

With the election of a Labour government in 1997 the focus of housing association activity began to shift from merely providing accommodation to a concern with meeting broader social objectives under 'Third Way' principles that combined social democratic values with liberalism. Initiatives to modernise local governance were premised upon primarily egalitarian objectives as Stoker (2004) has pointed out. Thus, statements from central government (Blair, 1998a and b; the DETR, 1998b; Armstrong, 2000 and Brown, 2001) consistently stressed the need to maintain a strong collective emphasis in local governance, based upon principles of self-management and network organisation; utilising the historical strengths of the voluntary sector. Within housing management, egalitarian forms of organisation are commonly emphasised as the most effective solutions to the long-standing difficulties facing housing estates, by emphasising resident empowerment, reducing bureaucratic control and maximising collective organisation (Power, 1996; Duffy and Hutchinson, 1997; Somerville, 1998; Leach and Wingfield, 1999; Taylor, 2003).

After 2000, housing associations were encouraged to focus upon participation in their approach to service delivery as stated by the Housing Corporation in a publication entitled *Communities in Control*:

Our starting point is that participation by residents in the activities of their landlord is essential to effective decision-making on services and to implementing investment and regeneration proposals... We believe that residents should be able to explore and exercise choices that extend beyond participation to increased involvement – that is, involvement in how services are managed and how organisations are governed or controlled (the Housing Corporation, 2000c, p.2).

This participative style of community governance was extended at central government level through the National Strategy for Neighbourhood Renewal (SEU, 2001a) which was designed to harness collective, egalitarian styles of policy that utilised the capacities of residents to solve social policy problems.

The establishment of local strategic partnerships (combining voluntary, public sector and private organisations) and the development of New Deal for Communities initiatives also attempted to institutionalise a long-term commitment to regeneration which placed communities at the centre of strategic decision-making, in conjunction with housing association agencies.

Such initiatives helped to place housing associations at the centre of a decentralised and pluralistic policy environment, clearly distinct from previous municipal strategies. Housing associations were increasingly encouraged to adopt a collaborative approach to housing need, which was contingent upon a range of agencies in the public, private and voluntary sectors. In theory, these strategies were inclined towards much stronger models of group identity both amongst and between housing associations.

5.3 The effects of egalitarianism

Whilst the above discussion has outlined some of the most significant pressures towards an egalitarian ethos in the housing association sector, many of the outcomes have been very different to those intended. In particular an egalitarian culture has had three specific effects: *organisational conflict*, the production of *false expectations*, and the *potential end of egalitarian organisational structures*.

5.3.1 Organisational conflict

Organisational conflict manifested itself in the post 1988 environment in a number of ways. The first of these related to concerns about committee structures and composition. Respondents were critical of the pattern of committee membership in recent years: 'You have seen a proliferation of men, predominantly accountants' (Interview no. 22, 27/11/98). Others propounded highly critical views about the contribution offered by minority ethnic organisations. Thus one committee member of a medium-sized London association maintained: 'empowerment can be measured in the number of minority Directors and Chief Executives in housing associations' (Interview no.

21, 20/11/98), suggesting that ethnic minority groups were disproportionately concentrated amongst lower-level, front-line staff. A Housing Corporation report published in 2001 found that 'BME staff remain under-represented at senior organisational levels and on the governing boards of housing associations and are mostly represented at junior management, clerical and secretarial levels. This is despite frequently being more qualified than their white colleagues in higher grades' (Housing Corporation, 2001c, p.8).

The 1988 Act also exposed some basic philosophical disputes between staff and Board members. One indication of this tension was the level of criticism aimed by senior managers at Board members. Thus in response to the recommendations of the 'Nolan' report (Committee on Standards in Public Life, 1996), a Director of one of the 'Shelter' housing associations expressed strong criticism of the complacency of Board members for their elitist structures:

I don't think they have taken Nolan seriously. In some respects they are wrapped up in their power bases. They are self-replicating. The way they got there is very hazy and convoluted. I don't think many staff could explain how they had been voted on to the Board (Interview no.13, 11/4/97).

A second area of conflict related to the need to preserve a sense of geographical integrity set against a requirement to develop in order to exploit new market opportunities. Organisational location was a central feature in shaping organisational identity. As Malpass (2000a) comments: 'the more they grew, and the more they expanded their geographical areas across which they operated, the more difficult it became for housing associations to retain the very characteristics which made them attractive in the first place' (p.199).

The pressure to develop within a wider geographical scope created a second area of organisational tension. By the mid 1990s committee members as opposed to Chief Executives were holding the torch for an egalitarian culture, expressed in an anxiety that housing organisations were losing their

distinctive and historical local identities. Powerful emotions were raised about the ability of maintaining links with local communities and geographical integrity, reflecting the strong belief that a key strength of associations was their position within local areas. Such views are congruent with orthodox representations of housing associations and their community profiles (Best, 1997). A study commissioned by the Housing Corporation (Exworthy, 2000) concluded that relations between Chairs of Management Committees and Chief Executives were generally positive. Nevertheless, conflicts between Board members and senior managers were becoming increasingly evident at the turn of the century.

One of the main areas of conflict related to the geographical sphere of operation of housing associations. As a Board member of one of the major developing London associations explained: 'we can't expand in numbers. We have restricted ourselves to geographical areas. That can be positive and negative. It makes it difficult to grab opportunities. We might be too cautious' (Interview no. 23, 25/1/99). Egalitarianism was seen as an opportunity to return associations to a period of certainty, where there was a measure of clarity about fundamental objectives. At the same time it has proved a source of frustration and tension for many contemporary managers. Divisions were therefore appearing both within committees and between committee members and staff.

The emphasis on growth was a cause of many of the most serious conflicts between committee members and senior officers. A common concern was that this emphasis on continual expansion and drive to develop at all costs was at the expense of broader social goals that were often viewed as the core strength of the sector:

We have been involved in buying land before we have got planning permission ... on a number of sites. It means that we are able to do things fast. We have been very proactive in that respect. We have an ability to respond in development and financial terms that make the development targets and growth completely overshadow the community development side (Interview no.44, management committee member, 19/2/03).

The need to retain associations' local identity became increasingly problematic as they widened their sphere of activity and were perceived to have lost their geographical integrity (Malpass, 1997b). The need to remain within traditional localities raised severe difficulties for associations in areas of high demand such as Inner London, where there were extreme shortages of supply and opportunities for development were greatly restricted. The Chair of the management committee of one of the major London associations expressed the problem as follows:

We have a dilemma that these are our core areas, but we can't develop in these areas...We are diluting the perimeters of where you are placed, what you believe in. We do have a [geographical] line, but we are constantly coming up against this. My view is that staff should be able to push and we should be able to say no (Interview no.23, 25/1/99).

A further area of conflict was the need to balance the demands of growth and risk against a community development role. Whilst on the one hand staff were keen to demonstrate their entrepreneurial skills on the other hand many staff felt that these goals came at the expense of delivering an effective housing service. These discussions touched upon a fundamental ideological divide about the direction and pace of change for the sector.

I think that RSLs have strayed away from being social landlords ...We have to recognise that there are people who are vulnerable. If 90 per cent of time is spent on 10 per cent of tenants, that is because they need it. Otherwise we are looking at things the wrong way round. Too much in RSLs has been about development, about new units rather than supporting communities or about vulnerability or sustainability. If you are not interested in supporting vulnerable people then fine, but don't pretend to be a social landlord, forget about the Housing Corporation and call yourself a private landlord. Let's be clear about being a RSL (Interview no.36, community development officer, 8/1/03).

The issue of community development became particularly pronounced after the 1997 General Election with the strong focus on 'neighbourhood regeneration' mentioned in the reports produced by the government's Social Exclusion Unit (1998; 2001). However, the concepts required to progress an agenda of community development and resident empowerment created a

division between the traditional committee members, permeated with a sense of organisational history, and the more recently appointed Board members who had been recruited on the basis of their 'professional', business expertise. A Board member of one of the main developing associations in London expressed the dichotomy as follows:

Housing associations have an extremely important role in community development and they have to spend money to achieve it.... If you look at the background of the other committee members you see that it doesn't make them aware of these kinds of issues. Their strength is their awareness of money, which is of course important. Their heart is in the right place but I don't think that they truly understand the social and community implications of their decisions (Interview no.44, management committee member, 19/2/03).

An example of the tendency to exacerbate organisational conflict was seen in the response of a long-serving management committee member. This individual mentioned how a number of serious disputes between staff and board members had erupted over the 'concentration of power and direction in a negative way' (Interview no. 23, 25/1/99). This member was highly critical of a Chief Executive who was perceived to have been concerned with accumulating influence at the expense of wider social goals. He continued: 'the Board took the view that we had to stop the centralisation otherwise the organisation would not be able to be what it was, a very community, tenant-involved organisation' (Interview no. 23, 25/1/99). The attempt to carve out a new identity for many organisations, reflecting a community development function represented an important area of dispute:

Our growth from 1,200 to 6,000 homes in just ten years is an achievement but reflects a number of concerns. I am desperately worried about our social and community role. We began as a traditional association but as we have grown we have focused too much on growth and not enough on community development issues (Interview no.44, management committee member, 19/2/03).

Divisions were apparent not only between committee members and staff but also within committees themselves. The role of minority ethnic groups in ensuring that housing associations remained true to their original objectives

as local community-based organisations was an important theme in interviews with members of such groups. As chapter four illustrated, many Chief Executives held out for an individualist identity that allowed them to take advantage of the opportunities offered by the business environment.

One of the major weaknesses of egalitarian organisations is a tendency towards sectarianism amongst actors and a difficulty in resolving disputes. A Housing Corporation inspection report illustrated the inherent tendencies towards conflict. Their report on a tenant-led housing association based in Brixton (previously a housing cooperative) complained that 'there had been acrimony and factionalism between board members and various conflicts of interest between their expectations as residents and their responsibilities as board members' (the Housing Corporation Assessment, 2003).

Management committee members increasingly perceived their role as restraining the entrepreneurial impulses of Chief Executives and holding out against individualist trends. The committee therefore functioned as an egalitarian social conscience, countering the individualistic tendencies of entrepreneurial managers. The governance of contemporary housing associations could be seen as a process of continual struggle between managerial objectives of growth into new areas set against the desire of committee members to curb this expansionist agenda. At the same time, the constraints imposed by the historical origins of the Shelter housing associations in particular were viewed in ambivalent ways with committee members acknowledging they faced significant organisational dilemmas.

5.3.2 False expectations

The commitment to 'co-production' of public services (Hood, 2000, p.122) whereby citizens were viewed not as passive consumers but as essentially involved in provision represented an important strand amongst housing associations determined to distinguish the interests of residents and those of bureaucrats in central government. The use of strategies which involved integrated approaches with a diversity of agencies and with the participation

of residents was viewed as a significant solution to problems of housing management. The premise contained within such analyses is that through tenant involvement and wide ranging 'holistic' strategies an opportunity is offered to avoid traditional paternalistic landlordism and to precipitate devolution of power to local communities. Decentralised management systems in conjunction with new forms of participatory democracy have therefore been strongly advocated by influential commentators on social housing management (Hambleton and Hoggett, 1987; Burns *et al.*, 1994; Power, A. 1996). According to these arguments, new initiatives can assist in a transfer of power downwards to local neighbourhoods offering much greater levels of choice and influence in day-to-day decisions.

However, one of the main historic criticisms of the housing association sector was that it traditionally paid lip service to the notion of resident participation (Cooper and Hawtin, 1998) with associations often portrayed as having a complacent view about their community links (Fordham, 1995). An example of the way in which the sector had become committed to tenant involvement can be found in a history of Paddington Churches Housing Association:

There was a fine line...between housing people and becoming a welfare agency. Greater tenant involvement was one way of avoiding paternalism, by encouraging people to take advantage of better housing to take control of their own lives and not be over-dependent on the association (Mantle, 1995, p. 27).

An important manifestation of 'co-production' in the sector was the attention devoted to strategies of resident empowerment, whereby tenants were enabled to achieve their potential through participatory mechanisms (see for example Thake and Staubach, 1993; Taylor, 1995). Housing associations viewed tenant participation as a necessary condition for effective service delivery and as a positive alternative to hierarchy. For example:

There will be a much stronger commitment to involving tenants so that the work of the Association is more clearly driven by them and not by the administrative convenience of Housing Corporation bureaucracy (St. Pancras Housing, *Annual Review*, 1998/9, p.15).

The encouragement of tenant involvement is in part a consequence of the requirement to meet the demands of legitimacy identified earlier. In the mid to late 1990s housing associations placed themselves in the forefront of new models of housing management, aiming to avoid the mistakes of the past (largely associated with hierarchical management systems). In particular the need to ensure sustainable policy solutions and to contribute to a wider sense of community regeneration has been a central theme in contemporary housing strategies. These proactive and holistic models of service delivery permeated contemporary statements of organisational vision and corporate objectives (Power, 1996b; The Housing Corporation, 1997a; Dwelly, 1999).

Additionally, during the late 1990s, housing associations found themselves in a new role: not only were they responsible for providing accommodation, but they were also expected to act as regeneration agencies. Declarations that housing problems did not exist in isolation and had to be connected to broader approaches were widely used within the sector and constitute an integral part of contemporary housing management practice. These wider approaches normally include training; job creation; education and health initiatives. A symptomatic example can be found in a statement by one of the philanthropic associations:

Peabody anticipates social and economic needs in London and then acts to meet them, rather than waiting for change to happen...Peabody is one step ahead in the fight to eliminate poverty and social exclusion in London...Community spirit is one of the saddest casualties of modern life. Peabody is trying to recreate the sense of community found on its older estates...Peabody works with residents' fragmented communities, to improve people's housing and enable them to enrich their lives... (Peabody Trust, *Annual Report*, 1997/98)

The commitment of contemporary housing associations to the concept of sustainability is illustrated by the idea that an effective and long-term management strategy can produce wider social benefits. Housing associations were encouraged to adopt a much wider emphasis on social change; they were encouraged to develop strategies under the term 'Housing Plus' (the Housing Corporation, 1997a) which emphasised the importance of

wider social objectives. In addition they were strongly encouraged to follow models of housing management that devolved power to residents, that relied heavily on cooperation between stakeholders and that avoided hierarchical forms of governance. These community development approaches, resting on low grid and high group assumptions; that the responses should be based upon a collective approach and that the response should be free from government interference, were seen to be the most appropriate responses to neighbourhood problems. For example, referring to a housing association estate that had suffered from severe difficulties, a local authority officer commented:

Once residents start to be active, and they start to be interested you then have a dynamic. You cannot control the permutations that follow from this. But you kindle the belief that change will happen. You also start to change the psyche of the service providers. Then you begin to alter the conspiracy that aspirations and expectations are mutually low where residents don't feel that they have value to deserve any better (Interview no.42, 17/2/03).

Although as discussed above, housing associations had long considered themselves to be responsible for community development, this social investment function represented a qualitatively different role for housing associations as they became the sole providers of new housing. Housing associations saw themselves as responsible for developing a sense of community within local areas but how they were expected to provide this role was left unclear. However, what was clear was that the expectations as to what they could achieve were far higher than previously. These high expectations were reflected in the ability of housing associations to develop cohesive community based strategies. Resident participation functioned primarily at a rhetorical level as an important prerequisite for housing associations. It was therefore only through a shared experience of conflict that an effective community response could be pursued. Egalitarian criticisms were based around the assumption that mainstream, general needs associations had failed in their responsibilities to local areas. Thus, individuals working with minority groups tended to view housing associations' dedication to egalitarian goals as mainly symbolic. 'I think that the commitment is very

often only skin deep. Once you scratch the surface people are very much geared towards development; a narrow view of housing management; a narrow view of where they are taking their organisation.' (Interview no.24, 18/2/99).

In a similar fashion, black and minority ethnic groups expressed considerable scepticism about the commitment of senior managers to the principle of equity: 'managers pay lip service to equal opportunity policies. When jobs come up they are given to the people they want' (Focus group no. 1, 27/5/99). The rhetoric of participation and empowerment occupied a central role in contemporary housing association strategies and was manifested in considerable tensions within the voluntary housing sector, for example in the view that the objectives were unrealistic. In particular for those representing minority ethnic organisations the emphasis on a 'Housing Plus' agenda attempted to fulfil highly ambitious objectives:

On the face of it you would see many housing associations saying they are keen on Housing Plus and regeneration but I think the key issue is whether they have the capacity to do it, either as individuals or organisations. Generally it is a very narrow, very parochial sector and...there is very little cross-cutting between voluntary, community and statutory sectors...that has been the weakness of housing professionals and organisations as they try to transform themselves into agents of social change (Interview no.24, 18/2/99).

Moreover, there was considerable debate about whether or not it is appropriate for housing associations to tackle the broader issues they have involved themselves with. For example, Malpass (2000a) contends that housing associations should not be involved in anti-poverty strategies and should stick to a (narrowly defined) landlord role (p. 273).

The management of partnership arrangements represented many of the difficulties and tensions facing the housing association movement. For example, Reid (1999) has referred to a 'new competition', based upon networks of collaborative working requiring effective co-operation and trust. However, this new competition is clearly inimical to partnership working; there

is an essential contradiction between the notions of partnership and competition which these concepts are attempting to surmount.

From an egalitarian standpoint, in general terms housing association staff were criticised through a distinction between their rhetoric and practice. They were viewed as '*managing* communities, rather than being *advocates* for their communities' (Interview no. 24, 18/2/99, original emphasis). In indication of the way that false expectations had developed was expressed by a representative of the minority ethnic sector:

It's about recruiting people into housing from different sectors so they can develop the new housing agenda which potentially is quite radical. But I think the leadership of housing is not really geared towards that. They haven't got it in their mindset to deal with that... I think the training of housing professionals has been very much focused on developing sites, managing houses, rather than working with communities in a community development type of role. Certainly in the last ten years housing organisations have become much more entrepreneurial, motivated by profit (Interview no.24, 18/2/99).

The commitment to resident participation, community empowerment and community development raised new expectations of what housing associations could achieve. In the (pre 1988) days when they played a largely supplementary role to traditional housing providers, associations could afford to involve themselves in community development as their expectations were not high. They could present themselves as egalitarian social reformers, campaigning about housing issues, often criticising the inadequacy of the local authority response and its bureaucratic mechanisms. However, as associations themselves played the primary role of housing providers, these egalitarian objectives became much more difficult to sustain.

Proposals for local authority stock transfer also illustrated how false expectations raised the rhetoric of empowerment, where transfers of local authority accommodation were supposedly linked to a bottom-up process of tenant choice. In practice, however, a positive vote to transfer is almost always contingent on a positive campaign to transfer being pursued by the local authority. As Pawson (2004, p.6) explains the fact that a rejection of the

transfer option is likely to incur a heavy financial penalty 'based on debarred access to capital investment', calls into question the rhetoric of a bottom-up strategy.

5.3.3 *Self-destruction?*

Cultural theory maintains that 'egalitarian forms of organisation...which involve relatively weak formal leadership and rely heavily on communal "participative" decision-making involving most or all of the members, are chronically vulnerable to collapse if opportunistic members either exit or seek to "free ride" on the contributions of a few naïve public spirited members, who will eventually themselves be discouraged' (Hood, 2000, p.10). As housing associations have struggled with the demands of change and growth, egalitarian structures have become increasingly difficult to sustain.

As seen above, since the late 1980s there have been concerted efforts to portray associations as committed to fundamental egalitarian ideals in the field of race and housing. However, as housing associations have become central to the delivery of housing policy, central government has been increasingly reluctant to leave decisions about provision to organisations themselves. Thus, many of the strategies have been imposed upon the sector by the lead regulator (The Housing Corporation). The Corporation has issued considerable guidance and has advocated a number of black and minority ethnic housing strategies (The Housing Corporation, 1992; 1998).

Central government strategies advocated by the Housing Corporation illustrate the way in which initially egalitarian objectives, left to individual organisations have been taken over by centralised bureaucracies. As Harrison (2002) states, the Housing Corporation strategy 'was virtually unique in public policy as an explicit and sustained programme for prioritising the funding of service providing organisations run by black people within a large "mainstream" budget' (p.125).

Government policy towards smaller housing associations illustrated the shift towards and away from an egalitarian ethos. The strategy from 1986 to 1991 in what was known as the 'Five Year Programme' was initially to encourage the development of new BME housing associations. However, from 1991 to 1996 a later strategy ('An Independent Future') focused on growing existing BME housing associations (the Housing Corporation, 2003b) rather than encouraging new organisations to develop. This resulted in a decrease in new organisations being registered by the Housing Corporation from around 3,100 in 1989 to around 2,200 by 1994 (The Housing Corporation, 1994b, p.11). These figures suggest that by the mid 1990s, government policy was designed to limit the growth of new organisations and to consolidate existing institutional forms, encouraging mergers of associations rather than funding innovative egalitarian groups. The Housing Corporation acknowledged that smaller organisations would find difficulty in sustaining a programme of expansion:

Many lenders prefer not to lend to small housing associations because of the perception, not based on fact that their small size and rapid rate of expansion can lead to poor governance and management capability (the Housing Corporation, 2003b, p.12).

Despite the suggestion that such judgements were unfair, the Corporation themselves connected failing organisations with egalitarian cultures. For example the Housing Corporation (2003b) saw organisational difficulties as based upon poor investment decisions by smaller associations and decisions to concentrate on non-core housing activities for which they had little experience or expertise: 'The inevitable result was to be placed in Supervision by the Housing Corporation' (p.23). In examining the reasons for organisational failure, the Corporation concluded that 'many produced poor business plans and the culture of infighting and friction within some of the Boards left the operational management of the association in a difficult, if not impossible situation' (the Housing Corporation, 2003b, p.23).

Egalitarian organisations were also not thought to be sustainable in the long term. The example of the takeover of a small housing association (Walter

Rodney housing association) by a larger organisation (Ujima housing association) in 1986 illustrated the difficulty of sustaining an egalitarian cultural ethos. The history of Ujima housing association quoted a former chief executive as follows:

The whole thing was an absolute disaster; the impression was given that Ujima was gobbling up a smaller housing association and went in very heavy handed. It is bad for the community. In my time we always supported the development of smaller housing associations and gave them a lot of assistance, sometimes at quite a sacrifice to ourselves. Yet here was Ujima swallowing a fledgling association in development at a time when a lot of people wanted to close down a lot of black housing associations (cited in Ross, 2002, p.48).

A Housing Corporation Inspection report issued in 2002 on Solon Wandsworth housing association illustrated government thinking about suitable organisational structures for the sector. The report criticised Solon both for under-investment in their properties and an unrealistically low rental policy. The Corporation saw one of the key weaknesses of the organisation as their collective structure: 'Our overall conclusion is that the association's past policies have led to unacceptable and unnecessary risks to tenants and public funds. This amounts to a failure of the organisation to manage the business in a proper and accountable way' (www.housingcorporation.org.uk). The result was that in 2003 it was classified as an enforcement (rather than intervention) level supervision case (the most serious level of regulatory concern). Similarly, an inspection report on Black Roof housing association concluded that 'in general tenant members exhibited a lack of understanding of their responsibilities to act in the best interests of the association' (*ibid.*).

These cases illustrated how the Corporation found that such organisations were either unable or unwilling to deal with their problems, or that the problems raised wider issues. The lesson from these examples was that the Housing Corporation had grave reservations about egalitarian organisational structures.

This 'Achilles heel' of egalitarian organisation can be manifestly illustrated by the example of a black and minority association in the late 1980s. As described in its organisational history, the various organisational pressures almost resulted in its collapse: 'It was not housing that was to bring Ujima to its knees in 1990, it was internal discord' (Ross, 2002, p.29). As the organisation grew, there was a perception that it had not matured in management terms and that its structure was weakening. 'The delineation between staff and committee which had never been clear, became even more blurred as discord grew...As people became more disgruntled some committee members went to the press with their complaints' (*ibid.* p.29). This example illustrated one of the classic tensions within egalitarian organisations, where internal tensions cannot be resolved and members find that they have to look for external agencies to settle their disputes. 'Egalitarian organisations tend to be short-lived. Procedures may be continually renegotiated among equals, and the tendency to split is high, since a group rooted in consensus cannot long accommodate dissension as people shift their perspectives' (Coyle, 1997, p.74).

The above examples illustrated the difficulty of egalitarian organisations to tolerate dissent; without an overall hierarchical leadership structure there is no basis for the resolution of disputes. 'Egalitarian failures are likely to consist of cases where debate cannot be closed, feuding and factionalism goes unchecked and the organisation collapses amid a welter of mutual recrimination' (Hood, 2000, p.28). Research carried out into Danish housing organisations (Jensen, 1999) illustrated how difficult it can be to sustain egalitarian structures:

It takes time to learn the skills needed for participation in collective decision making, especially when you have never been listened to or counted upon...Egalitarianism is a socially demanding way of life: one that is prone to excluding incapable members, or at least to not automatically integrating them (pp.184-5).

In situations where decision-making is equally shared and where organisations are facing pressures to grow and to change in radical ways

organisational conflict cannot be sustained in an egalitarian structure. Egalitarian cultures are evidently vulnerable to failure 'stemming from unresolved feuds or collegiality degenerating into coexistence' (*ibid.*, p.28). This can often mean that there is a tendency for members of the group to avoid asking awkward questions about the behaviour of colleagues (*ibid.*, p.41). These weaknesses are clearly apparent in the experience of the high group and low grid cultures evident in many of the smaller housing associations where conflict and dissent were unresolved and the solutions eventually were for organisations to merge, to adopt hierarchical features and ultimately to be placed under the control of a central government agency to determine their future.

5.4 Conclusion

The 1988 Housing Act was a highly significant piece of legislation, representing a crucial juncture in the development of the sector, but commentaries have tended to underplay important continuities with previous stages in the organisational growth of housing associations. In particular, the cultural bias of egalitarianism remains a central motivating feature of today's housing association sector. Indeed it has become an increasingly important theme in the post 1988 environment in response to criticisms that housing associations represent an oligarchic and unaccountable force as they have replaced democratically elected agencies.

The chapter has shown how the three features of egalitarian organisation identified by Hood were clearly apparent in the housing association sector: namely, group self-management, control by mutuality and maximum face-to-face accountability (Hood, 2000, p.122). Egalitarianism is clearly embedded in the organisational DNA of the housing association sector. In many respects it can be viewed as the default position of housing association managers and Board members. It therefore represents one of the most important cultural values of the housing association sector; it is what makes the sector distinctive. Represented through the historical legacy which continues to exert a firm hold and through a distinctive governance structure; egalitarianism

illustrates how the sedimentation of organisational values has taken hold upon association cultures. Set within this organisational context, egalitarianism since the 1988 Act represents an attempt to return to their historic roots for many within the housing association sector. Functioning as an organisational social conscience, and helping to remind members of basic values and the need to maintain group cohesion, egalitarianism is expressed by the desire to sustain a set of core social principles in the face of continuing pressures to grow and the perception that associations were in danger of losing their distinctive organisational identities. In particular egalitarian responses were prevalent amongst longer serving committee members, those with explicit political interests and members of minority ethnic groups. Egalitarianism continues to play a role within the minority ethnic organisations (representing a new type of separatism), at management committee levels, creating new types of conflict for the sector. The egalitarian legacy is also apparent in the regeneration initiatives implemented under the 'Third Way' aspects of New Labour social policy. Egalitarianism has always been a feature of certain organisational types and this has left a powerful legacy.

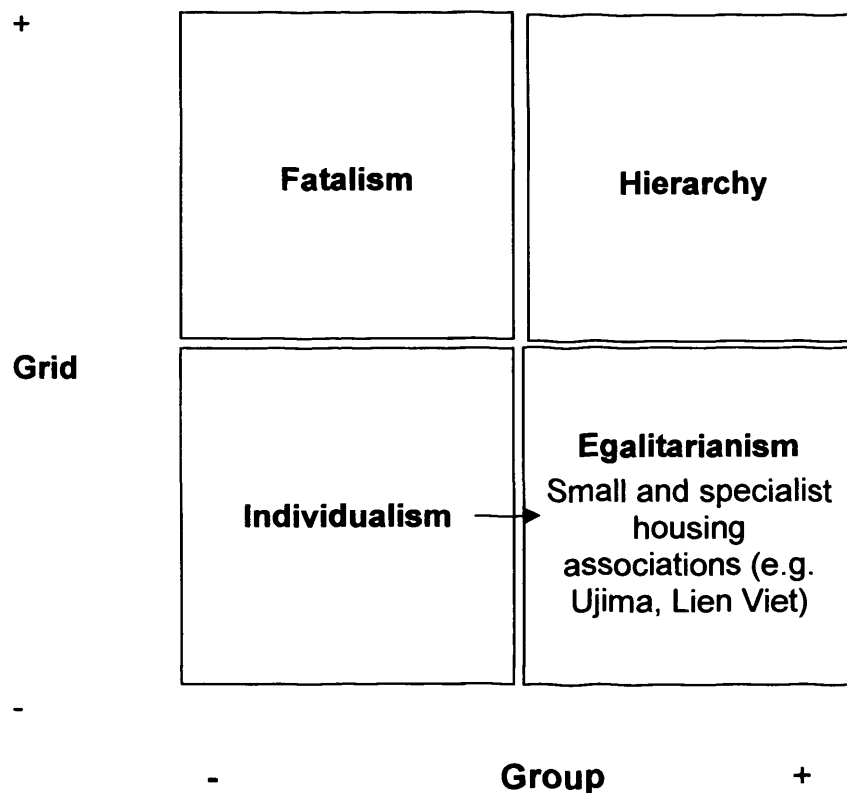
The evidence presented in this chapter shows how following the 1988 Act, many housing associations made a conscious decision to retain their egalitarian roots as low grid and high group organisations, providing a core principle and source of motivation for staff working in the sector. In particular the management committee functioned as an important conduit for egalitarianism. The legacy of these organisations represented both constraint and opportunity and provided considerable scope for organisational conflict between staff and Board members.

However, at the same time, associations have struggled to strike a balance between the need for authenticity and the need to portray themselves as organisations transformed into effective social businesses. The discussion illustrates some of the key issues and problems facing these organisations as they attempt to reconcile conflicting identities and achieve the 'best of both worlds' (Taylor, 1997) of public and private sector institutions. The organisational conflicts evident in the contemporary housing association

sector have led to considerable debate about whether a cohesive social housing sector remains. The view that the sector remains distinctive continues to exert strong resonance, but it is apparent these organisations face a continual struggle to assert a common view of their direction and purpose. The National Housing Federation has been complicit in constructing this sense of common identity for the sector and assisted housing associations in achieving their objectives of raising funds from public and private sectors whilst demonstrating a responsible image of the committed social landlord.

Egalitarianism is an enduring feature of the housing association ethos and represents a deep-rooted and profound historical tradition which continues to function as a determining influence upon a significant number of contemporary organisations. The historical legacy of a number of organisations can be seen to ensure that egalitarian pressures upon specific organisational types within the housing association sector are sustained, particularly within those organisations (mainly based in London) which have dominated the management and development of contemporary social housing. Figure 5.1 illustrates the determination of committee members to move associations in a particular direction towards more egalitarian objectives.

**Figure 5.1: The pressures exerted by management committee members
(early 1990s)**



Egalitarianism is the cultural value that is the most under threat, by radical change, by organisational conflict and by the hierarchical trends manifested since the 1988 Act. These pressures mean that the radical organisations have found it increasingly difficult to retain their core values and to assimilate the changes affecting the sector. Nevertheless, egalitarianism is still strongly represented by management committees and in particular amongst black and minority ethnic led organisations. The solution for egalitarian organisations may be in applying these core values 'in different contexts and incorporating them into larger, cultural hybrids to guard against their vulnerabilities' (Coyle, p.74). Therefore the tendency for organisational merger and assimilation may be a means for egalitarians to perpetuate an egalitarian culture and to advance further egalitarian initiatives, thereby carving out a new organisational identity based on a responsive and empowered client group,

working in partnership with minority groups in a socially inclusive way. This may serve to protect some of the organisational legitimacy that was lost in the more individualistic responses to the 1988 Act.

Chapter 6

'THE GROWTH GAME': HIERARCHY AND HOUSING ASSOCIATIONS

We ought not to be surprised that organisations resist innovation. They are supposed to resist it. The reason an organisation is created is in large part to replace the uncertain expectations and haphazard activities of voluntary endeavours with the stability and routine of organised relationships. The standard operating procedure....is not the enemy of organisation; it is the essence of organisation. Stability and routine are especially important in government agencies where demands for equity (or at least the appearance of equity) are easily enforced (Wilson, 1989, p.221).

6.1 Introduction

As shown in chapter one, a central theme in the development of contemporary approaches to social housing management since the 1980s has been the need to develop flexible and responsive alternatives to municipal hierarchies. Local authority housing management was effectively portrayed as the epitome of a remote, inflexible and oppressive management system. At the most fundamental level the criticisms of municipal landlords were based upon the rejection of hierarchical management structures. Hierarchy in housing provision became equated with poor motivation, impersonality and organisational rigidity, and housing associations were promoted as positive alternatives to bureaucratic local authority landlords. In addition, debates about a 'new governance of housing' (Malpass, 1997b) were dominated by the theme of network forms of coordination in opposition to traditional hierarchical control through local government bureaucracies (Rhodes, 2000).

Housing associations were promoted as diverse, locally based institutions; the antithesis of hierarchy. This chapter investigates the evidence for this view of a radical distinction between bureaucratic local authorities and flexible and

responsive housing associations. As argued in cultural theory, there are four main ways of organising which exist in continuous opposition to each other and these tensions have been reflected in public management reforms since the 1980s. This chapter presents the evidence for the continuing and strong influence of hierarchical coordination within housing associations. Whilst at a rhetorical level writers have been keen to dismiss hierarchical approaches to management as outdated, the persistence of bureaucratic administration is a salient feature of housing practice. The chapter examines the contemporary trends in housing management and motivations amongst senior managers which, it is argued, lead to hierarchy within the housing association sector, identified as *regulation and policy centralisation*, *size* and *status*. The obligations upon housing associations to become incorporated within a new institutional welfare state settlement further reinforce these hierarchical traits in contemporary policy.

The chapter also considers the responses to hierarchy within the sector. These are identified as *elitism*, whereby the voluntary housing sector is increasingly dominated by a self-defined 'premier league' of large housing associations. Many organisations are compelled in the direction of organisational assimilation through mergers and takeovers, with larger organisations taking over smaller ones. Second, housing association staff experience a *loss of discretion* as opportunities for autonomous decision making are minimised. Finally, there is a tendency towards greater *specialisation* of work with a loss of traditional 'generic' responsibilities. The chapter considers how these consequences may further reinforce hierarchical trends towards hierarchy within the housing association sector.

6.2 Housing management and the critique of hierarchy

Cultural theorists maintain that hierarchy constitutes an essential component of organisational behaviour. As Douglas (1994) contends: 'the distinguishing feature of hierarchy is that every decision is referred to the well-being of the whole. A whole transcending its parts is what hierarchy means' (p.225). The key elements of hierarchy are task specialisation, stratification of power between levels and typically a pyramidal structure. The purpose of hierarchical coordination is to concentrate direction and control (Mitchell, 1993). The central principle of hierarchy is vertical coordination, exercised through structures of authority and compulsion, in which status is necessarily unequal (Beetham, 1996). The core function of hierarchy is to ensure that large organisations can be coordinated by a relatively small number of individuals and is linked to Weber's (1947) argument about the benefits of rational-legal authority over other traditional or charismatic forms. Within hierarchies tasks are progressively broken down into discrete elements. An overall process is therefore divided into a number of sub-processes, which collectively ensure that objectives are achieved.

As mentioned above, housing management in Britain has been portrayed as dependent upon a hierarchical model of coordination with housing provision implemented through local government bureaucracies. It was this model that was vigorously attacked in the 1980s under the then Conservative administration, culminating in the market led reforms of the Housing Act 1998. These reforms were meant to bring an end to local government monopolistic provision and to institute the era of locally based housing associations. Significantly, many of the objectives of the reforms (if not the detail) were accepted by housing practitioners. In particular the critiques of bureaucratic styles of housing management have had a far-reaching impact upon contemporary housing practice.

In the late 1980s and early 1990s there existed a strong tendency in housing management to portray hierarchy as representing the antithesis of organisational effectiveness. One of the most influential exponents of this

view contends that there is 'internal bureaucratic confusion in a central hierarchy controlling an essentially local service' (Power, 1988, p.19). Such prescriptions equating hierarchy with ineffective service provision have become a new form of orthodoxy in management prescriptions for housing organisations. Decisions about the management of housing estates are therefore viewed as pragmatic responses to common problems: 'Logically it is only possible to handle such decisions at the local level since it is a practical rather than a bureaucratic task' (*ibid.*). In similar vein, a textbook discussion of housing management change argues for an idealised anti-hierarchical organisational structure:

Invert the pyramid, displace the apex, and the bottom of the structure becomes the weight-bearing point, supporting the organisation above it. This can transform the organisation from one with a 'permission-seeking' culture to one that enables and supports, one where the staff are trusted to get on with the job. Instead of looking upwards for authority, permission and resources the front-line staff are provided with a supportive raft or base for the execution of their appointed tasks (Belcher and Blanter, 1992, p. 44).

Such commentators consider that the solutions to the problems of rigidity, inflexibility and lack of responsiveness are to be found in developing new organisational structures that are diametrically opposed to traditional public sector hierarchies. In particular, hierarchy was viewed as preventing managers from exercising their discretion and individual initiative. Autonomy was therefore viewed as essential to ensure staff motivation. Such views became commonplace in discussions about effective organisational design for the housing management task. Hierarchy was presented as a redundant model for housing organisations:

It is inappropriate to reinforce the organisation's protocols and established bureaucracy. The opposite is required - namely support and encouragement and the kind of detachment that provides opportunities for the ideas to grow and flourish (Belcher and Blanter, 1992, p. 46).

Since the 1980s, the absence of hierarchy has therefore been presented as a prerequisite for organisational innovation and creativity. The rejection of hierarchy formed a dominant theme in good practice guidance from the

professional body (the Chartered Institute of Housing) (Catterick, 1994; Passmore and Fergusson, 1994). Taking their cue from wider public management texts, bureaucracy was identified with an absence of managerial support; systematic procedures were portrayed as barriers to be overcome rather than opportunities to assist effective management. The notion that 'new organisational paradigms' (Walker, 1998b) had emerged, based on network approaches (Reid, 1997) for housing organisations carried the implication that hierarchy offered a discredited and outdated model for housing organisations. The encouragement of new structures, which removed organisational constraints, allowing managers to act flexibly without the rigidities of bureaucracy, continues to permeate contemporary management rhetoric. The purpose of these managerial approaches is to allow organisations to pursue entrepreneurial strategies free of traditional hierarchical constraints. Popular initiatives within housing policy such as decentralisation and resident participation were thus presented as positive moves away from local authority dominated structures (Stewart, 1988; Davies, 1992; Passmore and Fergusson, 1994).

6.3 Pressures towards hierarchy in housing associations

At first sight, given the accumulation of criticisms of bureaucracy over a sustained period of time, the persistence of hierarchical organisation may be surprising. Given further that the development of housing associations over the last thirty years in Britain in large part can be connected to a reaction against hierarchy, it would be unexpected to find increasing trends towards bureaucratic management within the social housing sector. However, senior managers in particular emphasised that as a result of the 1988 changes, the previous somewhat amateurish ways of working could not continue. As an example, a senior manager in a medium-sized London association expressed it: 'Somebody once said to me that working for a housing association was a bit like working for yourself. There weren't particularly tight goals or targets other than providing housing for people in necessitous circumstances' (Interview no. 6, 11/2/97).

The implication was that organisations needed to create more rigorous systems and procedures, to ensure that service delivery was placed on a more scrupulous, professional basis. Common criticisms were expressed about the previous environment, where procedures were based on ad hoc methods, and an absence of effective, professional management systems.

The following discussion identifies the basic trends within organisations in the London area, which have led to the establishment of hierarchical institutional structures.

6.3.1 Regulation and the centralisation of housing policy

The growth of regulation and inspection of the housing association sector encouraged uniformity in approach to service delivery, marking a strong contrast to the pre-1988 environment. Housing associations had three main forms of regulation: first through the Charity Commission and Registry of Friendly Societies; second through the Housing Corporation, and later through the Audit Commission and Best Value regime; and third through the National Housing Federation (NHF) and codes of governance. It can be argued that a fourth type of regulation is imposed through the professional standards encouraged by the Chartered Institute of Housing (CIH).

For a number of managers, the involvement of central government was both necessary and desirable. As a senior manager of one of the larger housing associations commented:

If you take the long view of history, the importance of the public money level cannot be underestimated. Because if you are to produce affordable housing, you need public resources to subsidise the market costs. That means the government, whoever it is, will have a very strong influence on priorities, often positively, not just negatively (Interview no. 12, 8/4/97).

An indication of the need for housing associations to adopt more standardised processes was provided in an analysis of the problems faced by a minority ethnic association (Ujima housing association) in the late 1980s. A history of

the organisation quotes a former Chief Executive (Victor Adebowale) as follows: 'it reminded me of the collectives of the 1970s. There desperately needed to be a hierarchy. There was a resistance to corporate practice. Ujima was still coming to terms with being a formal entity and to do that there needed to be a high level of organisation' (quoted in Ross, 2002, p.29).

The regulatory requirements upon associations, through Housing Corporation monitoring, became progressively more stringent during the late 1980s and 1990s. Thus the Housing Corporation adopted rigorous safeguards to housing association practices in the 1990s. 'Major changes have been made to both the structure and organisation of the Corporation; in particular to streamline systems and procedures and so improve the quality of the services delivered' (The Housing Corporation, 1994a, p.5). In the mid 1990s regulatory practice changed in a number of ways. First, stringent criteria were established for registration of new housing associations. Organisations needed to demonstrate their capacity to 'withstand the financial risks which are now inherent in developing and managing social housing' (The Housing Corporation, 1994a, p.11). These criteria resulted in a significant reduction in the number of organisations newly registered by the Housing Corporation which were reduced from around 2,300 nationally in 1989 to around 2,200 by 1994 (*ibid.*).

The second safeguard was that a more restrictive process of review and analysis of annual accounts was instigated. For example, associations were required to submit accounts within a six-month deadline. A third requirement was for organisations to submit quarterly financial returns and finally the Corporation refined the standards against which overall performance was assessed. These standards were developed from the previous requirement of 'performance expectations' (The Housing Corporation, 1989) and performance criteria (The Housing Corporation, 1992). Housing associations were also required to comply with the requirements outlined in the 'Tenants Guarantee' (part of the 1991 Citizens Charter), which gave residents the right to request a range of information relating to their landlords' performance. These initiatives helped to bring the housing associations under a

performance regime equivalent to other public bodies (Cm 1599, 1991) and later standards were adopted to encourage greater levels of resident involvement in decision making processes (the Housing Corporation, 1994c).

Thus, by the mid 1990s, as a senior representative of the National Housing Federation expressed it, the level of central control was accelerated: 'there is a much more central relationship between resource allocation, the organisations that receive it and desired outcomes than has happened before' (Interview no. 12, 8/4/97). The centralisation process was reinforced in successive pieces of legislation (the Housing Act 1988, the Local Government and Housing Act 1989 and the Housing Act 1996) as was evident from the following quotation:

there are aspects to the 1996 Housing Act which potentially give more power or control over associations to the Corporation as an agent of Government than before. For example, performance requirements on a statutory basis (Interview no. 12, 8/4/97).

These processes were viewed by some as a necessary corollary of organisational growth. Thus, a management committee member accepted that the process of change since the 1980s involved a new cultural dynamic: 'an organisation that has very idealistic aims to start with must inevitably become bureaucratic and that must be the driving force within it' (Interview no. 20, management committee member, 11/11/98).

The need for oversight, to ensure probity and the efficient use of public resources required ever more complex preventive mechanisms to avoid corruption, prevent the misuse of public funds and ensure government objectives were delivered through the Housing Corporation. These pressures arising from government intervention were also mentioned as problematic.

the language of ministers, civil servants and the Corporation...although rather *sotto voce*, was very much: 'we define the social housing product to give to the taxpayer, you are to provide and develop that product to the taxpayer' (Interview no. 12, 8/4/97).

Changes to the funding regime and the encouragement of uniform and standardised procedures such as a 'Social Housing Standard' in 1997 (Housing Corporation 1997b) created a more restricted regulatory context for associations. As a representative of black and minority ethnic sector expressed it, talking of the environment after 1997:

I think that everything becomes internalised. You need to perform effectively because you are over-regulated by the Housing Corporation. Therefore if you are not performing well you are not going to get your allocation. If you do not get your allocation it has an impact on the money coming into the organisation. That has a knock-on effect in terms of your borrowing requirements. If the borrowing requirements are not serviced it has a knock-on effect on the viability of the organisation (Interview no. 24, 18/2/99).

The view that government pressures upon associations were becoming increasingly prescriptive following the 1997 General Election was voiced by a senior manager of one of the large London associations:

Along with regulation has been a form of codification and specification. There is now a huge body of material in terms of housing management, which did not exist five years ago and a recognition that housing management is potentially a service which can be bought and sold (Interview no. 6, 11/2/97).

Reactions to exposure to private finance by organisations without necessary expertise meant that government inevitably became interested in the performance of associations. By the late 1990s, as a response to a number of failures in the sector, the Housing Corporation issued guidance to associations warning them of unnecessary exposure to risk and the need for effective financial control (the Housing Corporation, 1999a). Evidence of such problems was shown by the fact that between 1997 and 2001, thirteen housing associations faced serious financial difficulties and were only rescued by a merger with financially stronger organisations (National Audit Office, 2001, p.15). Examples of such difficulties included: English Churches Housing Group, which had to accept supervision from the Housing Corporation as a result of a Private Finance Initiative deal that was unsuccessful (*Housing*

Today, 1/4/99); supervision and imposition of management committee members at West Hampstead Housing Association following the failure of an IT system (*Housing Today*, 23/11/00) and fraud at Family Housing Association (*Inside Housing*, 11/4/01).

These high profile cases of fraud amongst housing association staff in the early 1990s were used to justify further centralisation of policy. For example a report from the House of Commons Public Accounts Committee (2001) strongly criticised the poor supervisory arrangements in the case of fraud committed at Focus Housing Association in the West Midlands. The report commented: 'The Corporation acknowledged its inadequacies in its regulation of housing association in the early 1990s, particularly in assessing their internal controls' (House of Commons, Public Accounts Committee, 2001, p.1).

Vulnerability to fraud, corruption and financial insecurity forced the Housing Corporation to adopt a far more interventionist strategy of regulation with formal inspection introduced for all registered social landlords in 2002 (the Housing Corporation, 2002a). From 2003 the regulatory process was transferred to the Audit Commission under a newly created Housing Inspectorate. This development was designed to separate the funding from the regulatory process, yet it served to cement the institutionalisation of the housing association sector within the same auditing framework as local authorities.

From 1997 the policy environment witnessed a further tightening of regulatory control. The introduction of the Best Value performance regime impinging upon local authorities to the voluntary housing sector in the 2000 Green Paper meant that housing associations would be subject to the same criteria as local authorities. This performance regime was highly significant as housing associations were for the first time brought under a regulatory process that was equivalent to the local authority sector:

Registered social landlords...should be subject to an inspection regime as rigorous and testing as that operated for local authorities by the Housing Inspectorate. The Housing Corporation will need to adapt its regulatory framework to promote further efficiencies in management and responsiveness to tenants by registered social landlords (DETR/DSS, 2000, para. 7.50).

In addition to the above restrictions, further regulation was instituted in 2000 in the form of government controls over rent setting. This policy was a response to concerns about rent levels and affordability following the 1988 Act with rent levels increasing by over 120 per cent between 1988 and 1997 (Mullins *et. al.*, 2001, p.612). Associations were thought to be taking advantage of the freedom to charge assured rents on new tenancies which were no longer determined by the Rent Officer Service. Such rents on new developments were believed to be unsustainable as they were dependent on residents receiving full Housing Benefit payments. The result was that the government instituted a process of rent restructuring designed to ensure more consistent policies amongst social landlords. By 2002 housing associations were compelled to move to a system of 'target' rents whereby they would no longer be able to charge 'unaffordable' rent levels (ODPM, 2000; NHF, 2001b). This policy marked a clear change from the (individualistic) strategy in 1989 when associations were encouraged to maximise rental income on all their properties (the Housing Corporation, Circular: HC 60/89). Policy had become much more centralised, in order to ensure government objectives relating to the 'affordability' of rents for low income tenants and the convergence of local authority and housing association rent levels (DETR, 2000). Whereas previous business plans had been developed on the assumption of a rental income over time involving regular annual rent increases above the level of inflation, the new regulations further increased the risks associated with housing association business management.

The transformation of the role of housing associations from a sector that existed at the margins of housing policy to one that was seen as in the forefront of the delivery of housing services was accompanied by a greater centralisation of policy and extensive regulation via the Housing Corporation.

At the same time the image of housing associations changed from organisations providing locally based services to small numbers of residents living in street properties, to large bureaucracies providing services from a central office. Their role as agents of government policy therefore implied that their traditional autonomy would be compromised by the receipt of substantial sums of both public and private finance.

6.3.2 Size

The demands of providing 'value for public money' alongside funding from private institutions discussed earlier meant that development activity was increasingly centred on the larger, "fast track" associations' (Garnett, 2000, p.281). Large associations offered several advantages for funding agencies. They were well placed to provide security for the substantial loans offered by private financial institutions and they could use cross subsidy from historic surpluses on previous schemes that were developed under more favourable grant systems. Following the 1988 Act, the then Housing Minister stated:

Associations which lack the right mix of skills for this new and demanding world must either stop developing or pool their strengths and resources with others (Lord Caithness, 1989, speech to the 25th anniversary of Housing Corporation, cited in Cope, 1999, p.148).

By the mid 1990s managers accepted that the demands of the new environment required much more systematic policies and procedures. Housing associations adapted their working practices in response to the previous informal and individualistic practices. Social housing management before 1988 was viewed as comprising well-meaning individuals, whose management style was unprofessional and haphazard. In contrast managers in the post 1988 environment were concerned to manage risk through implementing clear standards and procedures:

If we make a mistake nobody comes up and picks up the pieces other than ourselves. That means that you simply cannot afford to have people ploughing their own furrows or doing their own thing. You have to have a

clear corporate strategy about where the organisation is going (Interview no.6, 11/2/97).

The total number of associations receiving Housing Corporation development subsidy declined after 1989 (Garnett, 2000, p.281). Figures for London showed that in 1991, 576 housing associations provided around 150,000 homes, whereas by 1996, 225,000 homes were provided by only 480 housing associations (NFHA, 1991; 1996) and by 2003, 279,00 homes were provided by around 440 associations (ODPM, 2003).

This trend towards an expanded sector, dominated by a smaller number of large organisations went hand in hand with a centralisation of organisational structure. The Director of one large association contrasted local authority moves towards decentralisation with housing association trends:

In local authorities it has always been about local offices. Well you cannot have local offices when you have only got twelve properties [in an area]. We don't think that we need local offices. We can deliver our services in a different way (Interview no.16, 8/10/97).

One of the main reasons for these increases in size was that those organisations with a 'track record' of experience were more likely to win competitive bids (Kramer and Grossman, 1987). These organisations tended to be the established, mainstream, large developing associations. This development record led to the establishment of a small number of large, developing associations bearing the brunt of responsibility for new development in the sector.

A key pressure upon housing associations was found in the inescapable obligations attendant on the receipt of substantial public and private funding. The requirement to account for public money led to the establishment of an additional set of structures, standards and procedures which needed to be monitored through formal arrangements, guaranteeing probity and transparency. An overwhelming priority for associations was therefore to offer guarantees of security to financial institutions.

The increasing importance attached to financial integrity as associations assumed greater significance in housing policy and became responsible for larger amounts of both public and private money necessitated an emphasis on standardisation of outputs and uniformity of practice. These pressures had grown since the 1970s when concerns about the competence of voluntary housing organisations began to be expressed (Mullins, 1997a). However, the post-1988 financial regime accelerated the demands of accounting for an unprecedented injection of funds into the sector. The overriding need to reduce opportunities for corruption was a fundamental objective following a number of well-publicised financial scandals. For example, the experience of Circle Thirty Three Housing Trust, one of the major London housing associations which was guilty of serious monetary irregularities in the early 1980s, was mentioned as a cautionary lesson by the Chief Executive of a similar-sized London organisation. As this individual commented, the experience affected housing associations dramatically and necessitated rigorous procedural devices in order to limit financial abuse: 'Circle Thirty Three...was the final nail in the coffin...financial regularity, everything else doesn't matter' (Interview no.22, 27/11/98).

In order to fund their activities associations needed to expand to retain financial viability, achieve economies of scale and to achieve a 'critical mass' to enable the employment of specialist staff to provide an appropriate range of expertise (Billis *et. al.*, 1994, p.6). The requirement to demonstrate value for public money has been seen by many commentators as the primary objective for today's housing association managers. Thus 'services which can be shown to benefit from both economies of scale and keen pricing from competition, may well be considered the most successful' (Pearl, 1997, p.59).

A significant feature of the post 1988 environment was that managers believed that these more systematic procedures could actually liberate housing associations rather than *vice versa*. As one manager expressed it: 'we can afford to take some calculated risks because we are big enough to absorb them' (Interview no.16, 8/10/97). A necessary condition for housing

association survival was therefore the ability to retain oversight, to maintain central control and to possess clearly written procedures to satisfy financial markets. An indication of how this emphasis on performance necessitated top-down organisational structures was provided in the following comment from a Director of one of the largest London organisations.

The organisation has got very large, it has grown very quickly. It is explicitly about growth at all costs. It has grown massively and doubled in size. That changes the nature and structure of the organisation. What is interesting is that leadership is from the top and the Board and Director have a very prescriptive style of management. They are not really looking at a management team where there is dialogue and exchange of ideas. They are looking at a management team that delivers a specified objective (Interview no.22, 27/11/98).

A further incentive for managers was the desire to maintain independence. Consider the following comment from a member of staff of a small London association: 'we have no real financial clout and so are at the beck and call of partner housing associations' (Focus group no. 2, 2/6/99). This desire to avoid becoming dependent on other large organisations motivated housing associations to maximise their involvement in local policy-making and to assume control over organisational objectives. As large associations wished to establish themselves as a major influence in local activity they looked to expand their activities and areas of work. In particular associations wished to negotiate with other partners from a position of strength. These pressures engendered mechanisms to cope with an increasing level of complexity. The ability to compete was contingent on resources and large organisations with substantial asset bases would be most effective at maintaining their competitive advantage:

I think the thing that has changed most in the last ten years is the need to be more creative and entrepreneurial. But creativity is fine as long as you have got money (Interview no.14, 10/9/97).

Innovation was therefore contingent upon financial stability and security. These key attributes implied that only a small number of organisations with substantial assets were able to develop pioneering management initiatives. The same manager commented: 'we are strong financially, [we have] a big

strong asset base, the ability to borrow substantial amounts of money to do all sorts of things' (Interview no.14, 10/9/97). These conditions underpinned all future organisational developments and the ability to maintain a continual income stream and ensure efficient management of resources was therefore perceived as a necessary condition for continued growth and effectiveness. This point illustrates one of the classic arguments for economies of scale as efficiency criteria and performance measurement became an increasingly important part of housing association work. 'Because the organisation is very big, it must have the capacity to take much more. We have to think in terms of our unit costs and financial management. We have to think in terms of efficiency gains' (Interview no.23, 25/1/99).

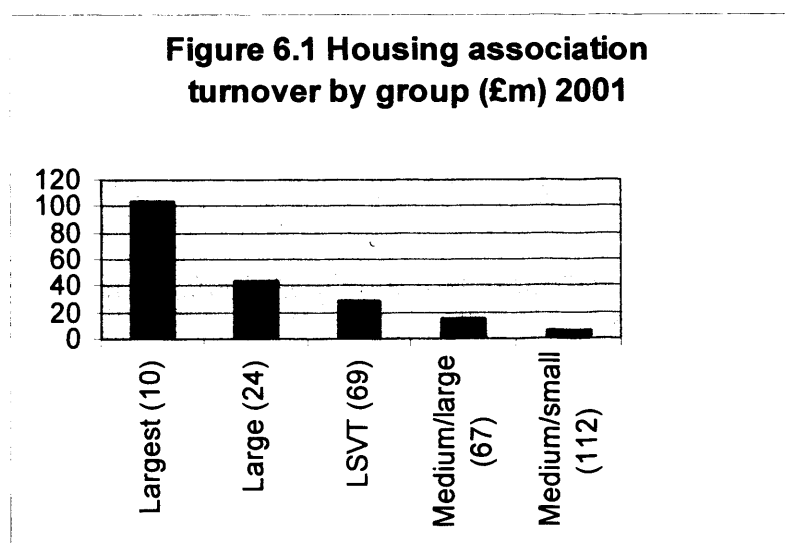
The imperative of ensuring economies of scale also manifested itself in the imposition of group structures, mergers and strategic alliances in the late 1990s. Group structures were seen as an appropriate method for providing a legal and financial framework for growth in order to organise diverse activities and/or geographically disparate operations (Audit Commission, 2001, p.10). In the period between 1994 and 1999, 35 group structures were established (NHF, 1999, p.viii). By 2001, three-quarters of all housing association homes were part of a formal 'group' of two or more organisations. More groups than new RSLs were registered in 2000/1 by the Housing Corporation (Audit Commission, 2001, p.3).

The social housing agenda pursued by the Labour Government since 1997, whilst attaching symbolic importance to diversity, nevertheless continued the trend towards sustained growth. Such a view was propounded by a representative of the black and minority ethnic (BME) housing association sector:

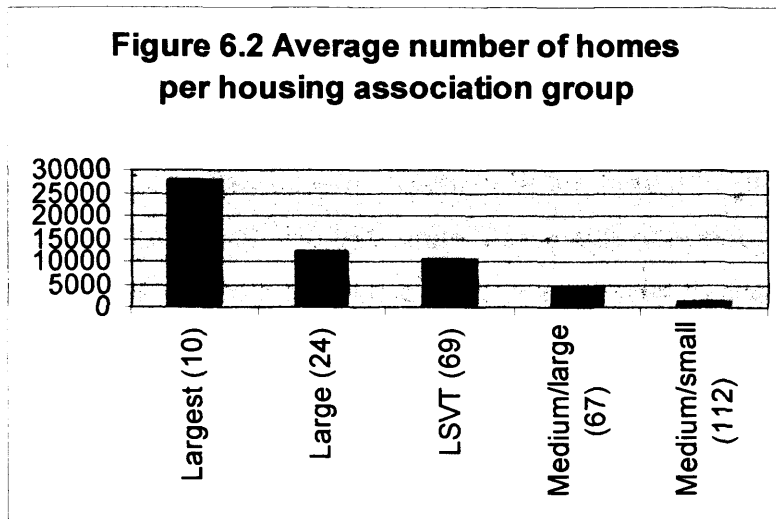
The New Deal, Social Exclusion pronouncements talk about very small neighbourhood control. That goes against large housing associations which may have headquarters in different parts of the country and not having links with local people, local communities. I think government macro-policy is going in one direction, but micro-policy in housing is going in the opposite direction with the need to deliver rent as cheaply as possible. You need to get efficient services and one of the ways around

that is merging, to achieve economies of scale (Interview no.24, 18/2/99).

Data from the Housing Corporation illustrates how at a national level, the sector is increasingly dominated by a small number of large housing associations. Thus, the very large housing associations (defined as those with over 10,000 units) although less than 2 per cent of the total (numbering 10 organisations), manage 29 per cent of housing association property. Similarly, a growing trend since the late 1980s was the development of organisations formed through the process of stock transfer from previously local authority owned property. These organisations known as 'large scale voluntary transfer' (LSVT) associations comprised six per cent of the total but managed a further 29 per cent of housing units (The Housing Corporation, 2002b). By 2000, 21 of the 47 organisations with over 5,000 properties were transfer associations (Malpass and Mullins, 2002, p.681). In general the larger housing associations had a tendency to use debt to finance their asset base and these large associations became increasingly dominant within the sector. During the 1990s, the 'movement' consolidated through a process of mergers so that by the middle of the decade the ten largest associations managed about a quarter of the movement's total stock and the largest 200 owned three quarters of the stock (Garnett, 2000, p.281). Figures 6.1 and 6.2 illustrate the dominance of the large associations in terms of turnover and stock.



Source: the Housing Corporation (2002b)



Source: the Housing Corporation (2002b).

The need to ensure that housing associations were effective guardians of both public and private finances therefore imposed more rigorous and systematic organisational guidelines. The old amateur, friendly ethos, which characterised many traditional voluntary housing providers, was clearly no longer appropriate to organisations dependent upon large sums of both public subsidy and private borrowing. The consequence was the development of complex organisational structures, rigid processes, 'professional' management systems and 'effective' line management. The need to reassure both central government and private lenders that there would be a competent use of financial resources placed a premium upon the acknowledgement of the benefits of economies of scale. Housing associations therefore rationalised their practices as they became larger and more efficient organisations.

Proposals in 2002 to ensure that subsidies were dependent upon meeting output targets further increased the drive towards growth. As the head of investment at the Housing Corporation warned 'if they don't perform... they won't secure allocations' ('Corporation to get tough on delivery', *Inside Housing*, 2/12/02). Such warnings were contingent upon associations conforming to specific performance measures, including standards of governance, management and development. Housing associations concluded

that the solution to ensuring performance standards were met was to create large organisational structures, with standardised processes minimising the problems of risk and benefiting from the substantial funding opportunities available. The Barker Review Interim Report, (Barker, 2003), further noted that with 1542 associations owning fewer than 100 properties, but with a combined stock of 130,946 units, there was scope for greater efficiencies and economies of scale if fewer organisations were to own and manage this stock (*Housing Today*, 12/12/03).

6.3.3 Status and policy influence

An important incentive for contemporary housing association managers was to ensure that they maintained an influential position in the delivery of local welfare services. A central driver of change within housing associations was the aspiration to establish that they were major players in new initiatives. In their study of housing association change Billis *et. al* (1994) refer to a 'personnel imperative' where continued growth was seen as an essential condition for attracting and keeping good quality staff and management committee members. Status was therefore equated with effectiveness, creating a 'feel good factor' (*ibid.*, p.7) implying that organisational effectiveness would flow from an ability to maintain high levels of morale and opportunities for staff development. The exponential growth of housing associations in the mid 1990s had a significant impact on patterns of development and management styles. Associations were forced to become more professional and competitive. Their image was redefined as they grew in scale. A Director of one of the large London associations expressed the contrast between old and new approaches as follows: 'I think size is a key turning point' (Interview no.5, 24/9/96) implying that quantitative expansion had qualitative organisational consequences.

A manager of a smaller specialist housing association indicated the difficulty involved in retaining and recruiting experienced staff: 'as a small organisation we have to stretch to bring in staff. We have to grow to attract staff'. Therefore, growth was seen as a necessary condition of being able to

motivate individuals to join and to stay within the organisation (Focus group no.2, 2/6/99). The fact that the post 1988 regime placed housing associations in a more central policy role offered opportunities for higher levels of morale and incentives to improve performance. Significantly, a certain level of standardisation was viewed as a crucial basis from which other (more challenging) opportunities for staff development became available. Thus: 'if you are a large organisation that is successful and wins things there are opportunities for staff to be seconded. You do get an opportunity to do things that are different' (Interview no.15, 6/10/97). Such statements contradicted conventional views of public management that large organisations act as a constraint upon individual autonomy. The emphasis upon organisational status was viewed as beneficial both for external perceptions and opportunities to win contracts alongside improving staff motivation.

The development of management by contract as a result of Compulsory Competitive Tendering (CCT) during the 1980s (abolished in 1997) showed how associations were encouraged to seek new avenues of business to increase their status. The contrast with traditional housing management was expressed as follows by a project manager of one of the large developing associations:

It's actually a very different ball game from managing your own stock. You are not setting your own policies, procedures. You have to adhere to very strict targets, deadlines and specifications. There are bonuses and penalties attached to the management of the contracts. It does focus you very much on performance than was otherwise the case. You have to fulfil that specification and there is no arguing (Interview no.15, project manager, 6/10/97).

A widespread belief amongst staff and committee members was that housing associations were primarily governed by a desire to increase their local profile. The fundamental objective for contemporary organisations was seen as the desire to increase their size and scope in order to influence the emerging policy agenda. As one senior manager of a large housing association explained:

In a word, I would describe the organisation as expansionist. I am not sure whether this is due to the idea that we can do things better than anyone else or that we want to be a major player. Our role is no longer simply to manage our stock. We are attempting to raise the profile of the organisation in the community, not just amongst our own tenants (Interview no.26, 12/5/99).

This imperative to increase organisational status was manifested through a wish to establish associations as innovative, willing to experiment and to engage in creative community investment strategies. Therefore, a fundamental objective for housing associations was the need to exert an influence upon the emerging policy agenda. However, the desire to increase organisational status was not universally accepted by housing association members. For some, this imperative was viewed in highly cynical terms. For example a management committee member of a medium sized association commented: 'It is a game. It is what I call the growth game'. This statement referred to the objective to recruit members of staff on one basis alone, namely that they could ensure continual expansion. Performance was therefore evaluated according to one basic criterion, namely the output of development programmes. This individual continued: 'It is as if the pressure to grow has produced a monster. Managers are continually asked "How many deals have you struck this month?"' (Interview no.22, 27/11/98). This evaluation of organisational performance on the basis of development targets at the expense of other, housing management objectives implies that these latter functions are likely to be undervalued.

An important indication of the value of contemporary housing associations was a sense of their importance in contemporary regeneration initiatives. As a Director of one of the large London associations commented: 'I think our distinctive function is that we are in for the duration. We are not a fly-by-night operation' (Interview no.13, 11/4/97). The implication of this comment was that some of the competitors and in particular smaller, specialist organisations had less of a commitment to professional standards and sustainable outcomes.

Senior managers wanted influence and in order to maintain this influence they saw the need to expand. This can be seen as analogous to a 'bureau-shaping' strategy (Dunleavy, 1991, p.174) whereby senior managers maximise their self interest by increasing status and influence in an environment that offered substantial opportunities for growth and development.

Managers were enthusiastic about developing strategies for new business, seeing it as an innovative and creative part of their work. However, the form that new business may take unwittingly imposes a much more systematised and inflexible set of procedures. For some staff it was better to work in the larger housing associations; there was more of a career structure, there were demarcated careers and greater opportunities for training and staff development. The professional network of people who worked in the large organisations helped to sustain the growth of these large organisations thereby increasing status and influence.

At the same time the tendency for housing associations to create new types of group structures in order to deliver economies of scale led to concerns that this was likely to lead to the marginalisation of tenant representatives who mainly participated on subsidiary committees (see Audit Commission, 2001).

6.4 The impact of hierarchy

The above discussion has shown how a number of housing associations are demonstrating all the elements of hierarchy identified at the outset of the chapter, namely standardisation, rule-following, central control and top-down organisational structures. What are the consequences of a re-emergence of hierarchy within the voluntary housing sector? The next section examines how these processes are affecting today's organisations through three major changes in housing association policies: *elitism*, a *loss of discretion* and an *end to generic working practices*.

6.4.1 *Elitism and the premier league*

The concentration of activity within a small number of organisations discussed above meant that a number of the largest associations were becoming increasingly influential in the delivery of housing services. As shown above, there was considerable pressure to standardise outputs, to ensure accountability for the provision of public money and to guarantee that staff had relevant specialist skills and knowledge. Since 1988 there was an increasing inequality between housing associations, with the larger organisations acting as predatory agencies and using their asset base to fund new initiatives. The large housing associations maintained a collective impulse coexisting with a high level of rule-governed behaviour wherein individual initiative was tempered by the demands of the group.

As an example of encroaching elitism, the Housing Corporation policy towards black and minority ethnic associations in the mid 1990s, whilst ostensibly supporting smaller and specialist organisations, in practice encouraged larger associations to develop partnership schemes with smaller players. The policy reflected the difficulty experienced by smaller organisations in the funding of their development programmes. Thus, the Housing Corporation themselves acknowledged that their policies might 'limit the ability of small, relatively new associations to develop housing schemes independently' (the Housing Corporation, 1995a, para.7.9). The Housing Corporation also recognised that there was likely to be an increase in 'mergers, group structures, transfers of engagements, partial rationalisation of ownership and management patterns or contractual partnerships' (*ibid.* para.8.16). Such comments heralded a tendency to concentrate resources upon the larger, established housing associations and can be seen in the number of organisations that now span numerous local authority districts, in effect becoming national organisations and losing their local identity. Whilst the mean for districts in which housing associations operate is four, the seven largest housing associations have units in more than 100 districts, with three organisations operating in over half the local authority districts in England (the

Housing Corporation, 2001b). Table 6.1 shows the scope of operation of these organisations.

Table 6.1 Housing associations operating in over 100 local authority districts

Housing association	No. of districts	% of all districts in England
Housing 21	219	62
North British	210	59
Anchor Trust	190	54
English Churches	172	49
Hanover	148	42
Sanctuary	135	38
Guinness Trust	105	30

Source: the Housing Corporation (2001b) Table 1

A reflection of this elitist inclination was the tendency towards continual expansion by a number of the larger London housing associations. Managers expressed some doubts as to whether distinctive organisational qualities could be retained.

We have grown very rapidly. Therefore we are now approaching the time when we should be consolidating. I think it would be very difficult to continue at this rate of rapid growth without losing a lot of what we had built up in the process (Interview no.16, senior manager, 8/10/97).

Other commentators cautioned against the dangers of an incessant struggle towards growth. For example the then Chair of the Housing Corporation warned:

In recent times we have become concerned about the growing evidence of so called “mega-mergers”, in a sector which came out of local initiatives. The evidence is that there seems to be a chief executive driven motivation that “big is beautiful”, but I think that “mixed is beautiful” (Baroness Dean of Thornton-le-Fylde, Chair of Housing Corporation, speaking to National Housing Federation Voluntary Board Members Conference, February 1998, quoted in Mullins, 1999).

Managers within the housing association sector frequently mentioned the continuing dominance of a small number of housing associations in London. Some interpreted this supremacy as a force for conservatism, to protect organisational status. According to this view, associations were perceived as interested in the consolidation of their position and expansion wherever possible. One Chief Executive saw the influence of an elite group as exerting a negative impact in their capacity to 'act as a force to resist change' (Interview no. 3, 12/8/96). This comment was significant in that organisations, that at times were perceived as innovative and radical, were in this respect seen as inward-looking and conservative. An officer of a stock transfer organisation illustrated this tendency for certain associations to portray themselves as part of a select group of dynamic and prosperous organisations:

We are made to think that we are the elite... For example we had a staff briefing which analysed a survey of external perceptions of the organisation. One of the conclusions was that we are very arrogant. They [senior management] saw this as a strength (Interview no.25, housing officer, 4/5/99).

Despite much rhetoric around tenant participation, residents' were marginalised by the emergence of an elite sector of organisations. As an officer of another organisation, one of the largest London associations commented 'I think it is an irritation to tenants always going on about how big we are. Big just means less local I suspect' (Interview no.9, 5/3/97). This perception inevitably fed a feeling of superiority. This same officer mentioned survey evidence from partners about the association, the conclusion was: 'we are big, we have got loads of money and we are a bit arrogant' (*ibid.*)

The influence of a small number of organisations had led to a privileged class of organisations, which were particularly effective in ensuring an appropriate level of public and private money. These organisations were able to exert increasing control over the agenda of the housing association sector. In particular, some warned of a democratic deficit wherein 'key decisions are effectively being made by a small, influential caucus of committee members with the expertise and knowledge to interpret crucial performance information'

(Pearl, 1997, p.58). One committee member characterised her experience of a medium-sized housing association as being 'like a Masonic lodge' because of the way in which meetings were dominated by a small number of select individuals with the capacity to influence decisions (Interview no.22, 27/11/98).

A strong view amongst housing staff was that many key policy decisions were becoming the preserve of an elite policy community. According to such views, the culture of the central government quango (the Housing Corporation) was reflected in the culture of housing associations in an example of what Di Maggio and Powell (1991) term 'mimetic isomorphism'. As a member of the management committee of a medium-sized association asserted: 'They mirror each other, that is the problem. "The man in the grey suit", "grammar school boys"... I get on with the individuals who have a basic level of integrity, but there is a feeling that it is like an old boy's club' (Interview no.22, 27/11/98). This view that policy was concentrated in the hands of an elite policy network of experts represented a common complaint from management committee members who felt marginalised by professional interests. As a representative of the Federation of Black Housing Organisations (FBHO) expressed it: 'housing association committees have been an old boy's network, it has been very incestuous and people recruit on that basis rather than looking at the skills which are needed' (Interview no. 24, 18/2/99). For this individual the sector needed to change in fundamental ways: 'it is still a very paternalistic, narrow culture within a closed sector, and it has been this way for a very long time' (*ibid.*).

This isomorphic tendency could be witnessed even amongst organisations that exhibited the strongest local profile (black and minority ethnic housing associations). Characterised as 'strong enough to maintain their separate identity', nevertheless research has identified a tendency for these distinctive organisations to 'become more and more mainstream' (Joseph Rowntree Foundation, 1998, p2). This elitist trend reflected what Michels (1967) called an 'iron law of oligarchy' whereby organisations are eventually run by elites

who identify with similar elites in other organisations. Thus, the loss of organisational identity had become an increasing feature of the late 1990s environment as the pressures of uniformity and standardisation created an elite sector, dominated by certain large housing associations in the London area.

The larger housing associations, in effect, enjoyed many of the benefits of their local authority predecessors whereas the smaller and specialist associations were placed at considerable disadvantage within the current environment: 'In particular the requirement for a strong asset base positively places small associations and cooperatives at a disadvantage' (Cope, 1999, p. 350).

Not only were the smaller organisations vulnerable, but there were also concerns that the performance of associations would suffer as a consequence of their rapid growth. A report from the London Borough of Camden concluded that: 'Housing associations are expanding too fast leading to a deterioration in the effective management of their properties. Some appear to be experiencing a rapid deterioration' (LB Camden, 2002, p.27).

Another indication of elitism is the tendency for larger organisations to form complex group structures. The tendency for organisations to form new group structures indicates the way in which growth has its own momentum, with an oligopolistic tendency becoming apparent within the sector. For one of the significant new organisations the stated purpose of mergers is to be 'better able to concentrate on...core activities, bringing an enhanced, more focused, more equitable service to our tenants' (Genesis Housing Group Ltd., *Annual Report*, 2000/2001). Contemporary housing associations were forming new composite entities, which could effectively combine skills and resources in new forms of hierarchical institutional structures. Furthermore, these hierarchical structures result in a tendency towards organisational uniformity amongst the elite housing associations (Lambert and Malpass, 1998, p.105).

The London area in particular was seen to be increasingly dominated by a small number of select developing associations. The Chief Executive of one of the largest organisations admitted this at a time when only fourteen organisations were viewed as dominant:

In many ways London is more conservative than the regions...London is dominated by the big fourteen organisations. They are able to exert influence and minimise changes. They act as a force to resist change (Interview no.3, 12/8/96).

The emergence of the 'G15', a group of the largest London housing associations illustrates the gradual dominance of a select, 'premier league' of organisations. Table 6.2 lists the members of this group and illustrates how they have formed parent, subsidiary and associate structures. These structures were initially formed to incorporate commercial and care services; to incorporate elements not traditionally associated with housing association core business. Gradually however, these structures have also incorporated other existing housing associations as part of a larger group structure.

Table 6.2: The G15 Housing Associations

Housing Association (Parent Group in brackets)	Social Housing stock, 2003	Number of subsidiaries/associates
London and Quadrant Housing Trust	23,915	3
Hyde HA (Hyde Group)	14,458	4
Metropolitan Housing Trust Ltd.	13,801	2
Circle 33 Housing Trust Ltd.	11,949	3
Broomleigh HA Ltd. (Downland Affinity Group)	11,789	3
Peabody Trust	11,763	2
Southern Housing Group	11,763	2
Notting Hill Housing Trust (Notting Hill Housing Group)	11,270	4
Paddington Churches Housing Association (Genesis Housing Group)	10,263	2
Family HA	9,855	3
East Thames Housing Association (East Thames Housing Group)	8,296	4
Stadium HA (Network Housing Group Ltd.)	7,197	5
Ealing Family HA (Catalyst Housing Group)	6,791	5
New Islington and Hackney Housing Association	5,875	3
SLFHA Ltd. (Horizon Housing Group Ltd.)	5,860	5

Source: The Housing Corporation, *Public Register of Social Landlords*

The G15 associations attempt to function as a pressure group in exerting influence over government policy. They have campaigned about the inefficiency of Housing Benefit administration and lobbied government (albeit unsuccessfully) to remove this responsibility from local councils (NHF, 2001a). They did succeed however in encouraging government to rethink how this benefit was administered through the provision of expert 'help teams' to local authorities (ODPM, 2000). They have also campaigned to retain market

closure in their attempts to dissuade the government from providing subsidies to private developers (*Housing Today*, 27/6/03). However, the fact that both initiatives were introduced in 2003 illustrates the relative impotence of these organisations as a pressure group in changing government thinking.

A further indication of an elitist tendency was witnessed in the recommendation from the Housing Corporation that the number of housing associations receiving grants from local authorities should be reduced to a core of preferred partners (Housing Corporation, 2003c). This 'pilot partnering' approach was praised as a 'positive step' by a Treasury commissioned review of housing supply (Barker, 2003) illustrating a preference for local authorities to negotiate with smaller numbers of organisations with a reliable track record in development and management (normally large, established associations). This model of partnering and 'joint commissioning' showed how hierarchy had become embedded within a decreasing number of influential organisations.

6.4.2 The loss of discretion

Part of the original ethos (and attraction) of many housing associations was the idea that they would allow considerable flexibility in working practices. An important indication of organisational change was provided by a personnel manager of one of the largest rehabilitation organisations:

In 1986 I would have said [the organisation] was very much charitable, happy-go-lucky, have a go at everything. It has become much more ordered, organised, more procedural, bureaucratic, and hierarchical. There is a difference between the image we do project and what we would like to project. The image we would like to project is probably an efficient, professional, quality service organisation. But what I pick up sometimes is that we appear bureaucratic. One half doesn't know what the other half is doing (Interview no. 19, 8/1/98).

One way in which this hierarchical culture manifested itself was in a more systematised approach to housing management. The loss of discretion resulted from a need for associations to express their commitment to the concept of accountability, leading to greater emphasis on standardisation and

uniformity and the removal of subjective judgments in decision-making processes. The development of a performance culture within the voluntary housing sector in the 1990s reflected a wider 'audit explosion' (Power, 1997) in public sector management and resulted in an emphasis on uniformity and standardisation of processes. Individual members of staff were increasingly discouraged from exercising their individual judgment in interpreting housing policies and procedures.

The loss of discretion was manifested in an increasing reliance on standard operating procedures. As the Chief Executive of one of the smaller London housing associations commented: 'routines are beginning to become the norm, which is right and proper in a professional organisation...routines are already much better done, those sorts of measures of improved efficiency are there, they are tangible and you can see them, which is very satisfying' (Interview no. 4, 14/8/96). A further example was found in the response of a Housing Director: 'many things are now written down properly for the first time, such as a nuisance policy and training for staff (Interview no. 13, 11/4/97).

Housing managers expressed the view that government regulation throughout the 1990s was imposing certain styles of operation, which conflicted with their traditional roles. As a senior manager of one of the large London organisations commented:

At the same time that associations are being asked to diversify and behave like different beasts... regulation is actually forcing them back into a particular mould in terms of the way in which social landlords are actually going to behave (Interview no. 6, 11/2/97).

The above quote illustrated how despite expressed rhetoric, the pressures of government policy would lead to homogeneity in organisational strategies, forcing them into a 'particular mould'. The pressures of regulation were imposing strains on the sector to become more uniform, and to adopt some of the structures and processes traditionally associated with the statutory sector.

The process of stock transfer which began in the mid 1980s and accelerated in the 1990s had a significant impact in changing cultural perceptions of the housing association sector. As one middle manager of a stock transfer organisation stated: 'when I started at the organisation it was like a family. Now we are merging and becoming more like a local authority' (Interview no. 29, 8/12/00). Such views represented a widespread concern amongst senior managers that they were becoming merely agents of government policy. In addition, a proliferation of good practice guidance, performance standards and monitoring throughout the 1990s had a fundamental impact in changing the perception of the housing management function, from an informal and flexible role to a much more standardised systematic approach to the job.

An indication of this more formalised approach to housing management was shown in the decision of one of the large London associations to monitor the activities of staff:

Three or four years ago we logged into 'timesheeting' exercises working out where staff time was going. We pay housing officers to be out in the field, give them car loans and then discover that they spend all their time in the office...I think a lot of London housing associations have been through that exercise (Interview no. 6, 11/2/97).

This quote illustrated a tendency in some of the larger organisations to move from a model based upon trust that housing officers were using their time effectively to a model where continuous supervision of activities was becoming more important. Studies of performance management regimes identified a propensity amongst staff to adopt defensive strategies, which are often counterproductive and undermine organisational effectiveness (Jacobs and Manzi, 1999).

The frustrations expressed by some officers at their inability to exercise discretion were illustrated in the following comment from a member of an organisation formed through stock transfer: 'Managers above suppress us; they do not allow us to be managers. For example we are not allowed to hold budgets' (Interview no. 25, 4/5/99). The same individual expressed a sense of

frustration at the lack of autonomy involved in their roles: 'Staff are not managers but feel they should have been' (*ibid.*).

For training officers, the strategies adopted and skills expected of staff were directed towards minimising discretion and limiting opportunities to exercise subjective judgments. Thus:

The emphasis is about setting clear standards, telling people what you expect them to do, giving feedback, coaching and developing them if they are not performing (Interview no. 19, 8/1/98).

The post-1988 roles also changed the relationship between landlords and residents. For example a housing officer complained at the lack of autonomy involved in his role:

At one time we did a lot for our residents, for example additional things that were not counted as repairs (such as changing locks free of charge). Now we have a policy of "deferred repairs" where minor jobs are saved for one large contract in order to save money (Interview no. 29, 8/12/00).

The issue of discretion plays a vital role in determining the equity of service provision within housing organisations. One of the historic problems of housing policy has been the existence of institutional discrimination (Henderson and Karn, 1984; Phillips, 1986; Jeffers and Hoggett, 1996). A significant problem identified is the existence of discretion or 'street-level bureaucracy' (Lipsky, 1980) where front-line staff compromise management objectives through the pressures of day-to-day working. The difficulty of discretionary judgment is that whilst it allows individual flexibility, it may lead to inconsistency and is vulnerable to bias. Therefore, 'the challenge is to replace individual discretion with rules, and to develop decision-making procedures which are as comprehensive, rational and prescriptive as possible' (Smith and Mallinson, 1997, p.343). Strategies adopted by housing organisations have been designed to minimise individual discretion through a process described as 'institutional hygiene' (Jeffers and Hoggett, 1996). This emphasis upon rational, systematic and equitable policies acts as a further pressure to produce uniform and standardised responses, which are capable

of challenge, and which prevent subjective judgment and discrimination. Housing associations have found themselves caught in an ineluctable process wherein decision-making is required to be rigorous and transparent. The requirement to provide systematic and standardised procedures necessitates more hierarchical structures that are capable of being monitored and challenged by stakeholders.

In particular the letting of new properties, referred to as allocations procedures, was one of the key areas wherein discretionary decision-making had been formally reduced to minimal levels. In particular housing associations are bound by the 'nomination' agreements whereby local authority partners determine applicants to be rehoused by associations. Table 6.3 contrasts the London picture with national trends. It shows how over 60 per cent of tenancies are from statutory agencies with just over 30 per cent chosen by associations' own allocations staff, compared to over 50 per cent of applications decided by staff at the national level.

Table 6.3 Referrals in the London region in 2002 (%)

	London	England
Local authority nomination	59.3	39.7
Statutory agency (e.g. social services)	1.6	0.9
Voluntary agency (e.g. CAB, MIND)	2.3	0.8
Direct application	8.1	36.7
Internal transfer	22.4	16.6
Move from another housing association	1.5	0.8
Other	4.7	4.4

Source: NHF, CORE Data

However, the above figures underestimate the levels of nominations required on housing association new developments, where 100 per cent nominations

are commonplace as a requirement for local authority consent (see above). For such properties a housing service manager commented, the issue of letting property is one 'over which we have no control at all' (Interview no. 31, 15/8/02). For a Director of a medium-sized association the environment after 1988 inevitably involved a loss of autonomy: 'there is a sense of being a master or mistress of your patch that is undoubtedly being eroded' (Interview no. 8, 26/2/97). However, the absence of formal discretion in many cases merely led to decision-making processes driven underground with subjective judgments continuing to be exercised. Allocation decisions were inevitably concerned with managing scarcity and in such a context, discretion would always play an important part of the decision-making process. Thus, there is talk of 'unwritten rules that were not in the standing orders' (Interview no. 22, 27/11/98). Whilst hierarchy led to a diminution of discretion to ensure standardisation and uniformity in decision-making there remained pockets of hidden discretion that were unrecognised and for the most part unacknowledged.

The imposition of rigid performance criteria was believed to have strongly influenced housing association strategies with the advent of the modernisation agenda within local government and 'Best Value' performance plans instituted at the end of the 1990s.

The changing practice of housing management has witnessed a reduction of individual discretion and autonomy in decision-making. As housing associations have been encouraged to adopt more uniform and standardised organisational practices, tasks have become more strictly specified. These reforms have had a fundamental impact on a sector which had for a long period relied upon a much more informal style of management compared to its local authority predecessors. Subjective judgments became much more difficult to exercise and the sector increasingly began to resemble local authority bureaucracies.

6.4.3 *The end of 'generic' housing management*

A final consequence of the development of more hierarchical structures, with a greater emphasis on systems and procedures is that the nature of the housing management task is being transformed within the voluntary housing sector. Traditionally, housing management was dependent on a range of generic management skills, including rent collection, managing empty property, allocating properties, dealing with neighbour nuisance, advice to tenants and repair enquiries (Smith, 1989; Cairncross *et al.*, 1997). In particular housing association staff were seen as highly skilled in these generic responsibilities, based on their local knowledge of the neighbourhood and their role within locally based community organisations (NFHA, 1983a). The generic approach is based upon the 'Octavia Hill' model of providing intensive and comprehensive support including support for vulnerable tenants. As Cope (1999) comments:

The 'Octavia Hill' method has evolved into the generic approach to housing management. In this case each officer has a 'patch' of properties and is the first point of contact for tenants on all matters. The officers work in teams covering a particular area and the team provides the full range of management and maintenance services... Small associations are forced to be generic in that they do not have sufficient staff to undertake each different function (p.208).

Housing management staff have fulfilled a range of different functions building close relationships with a small number of residents, normally located in scattered street properties. The strengths of housing associations lay principally in the fact that their small 'patches' allowed them to develop a more caring relationship that did supposedly remote local authority bureaucracies. As Dunleavy (1981) has shown, equating local authority departments with poor management provided a central foundation for the loss of legitimacy of public sector housing. The 1980s reforms allowed the dismantling of local government monopolies with little public disquiet. The 1988 Housing Act not only changed the role of housing associations in public policy but also changed the way in which the management task was carried out. The move away from rehabilitation work since 1988 and the emphasis on developing

new property has meant that housing officers now have to manage large newly-built estates, often incorporating a number of different landlords. The complexity of the process required a more specialised approach to management. This change from a generic role was summarised by a management committee member of one of the large London associations:

In the 1970s there was a move (certainly among the Shelter based associations) to make the housing officer's work more interesting by having more generic spreads [of work], in direct opposition to the local authority approach to make work more systematised. In the 1980s that went into reverse... People's jobs were actually going to be less interesting. A more "focussed" approach as it was termed (Interview no.20, committee member, 11/11/98).

In addition, the stock transfer process meant that associations were inheriting local authority estates with their long histories of social problems, including design, repair and social exclusion. Housing managers were managing larger 'patch sizes' and 'the workloads have become much greater. Originally I was managing a patch size of 200 units. This gradually increased to 400 properties.' (Interview no.29, 8/12/00). This lack of general responsibilities was expressed in the following terms by a front-line manager:

Prior to redeployment my job was generic. I had a much smaller patch and did everything. Now there are rent arrears officers who do that and nothing else (Interview no.48, neighbourhood officer, 14/12/03).

For such members of staff this reliance upon specialism made the service delivery less effective than previously. For example:

There are specific specialist roles; it makes it very easy to deny responsibility. We are not involved in rents at all. I don't know anything about my tenants' rent accounts. By the same token the rent officer can't do housing officer stuff. They don't know and they are not concerned (Interview no.48, neighbourhood officer, 14/12/03).

Part of the consequence of this increasingly specialist role was that levels of job satisfaction had decreased. This was perceived to have become particularly acute in the proposals to change funding regimes under the policy of 'Supporting People'. This policy was designed to integrate funding streams

for vulnerable tenants under a single budget (DETR, 2001). Whilst meeting government requirements to have more transparent subsidy systems, at the same time it was perceived to have reduced the more interesting aspects of the housing management function. As a neighbourhood officer commented:

I used to have a community development role. Now all the nice touchy-feely parts have been hived off because the funding comes from somewhere else, such as the Supporting People budget. My role has become very much an authoritarian one; I have lost all the nice bits (Interview no.48, neighbourhood officer, 14/12/03).

Similarly whilst bemoaning the extent to which the more interesting aspects of their function had disappeared under restructuring arrangements, a number of staff acknowledged that they would not be able simply to turn the clock back to previous ways of working. The changes were therefore viewed as irreversible:

I feel that all the good bits of the job have gone. However, if I was to change back to a generic role I would need serious retraining just to keep up with the changes (Interview no.48, neighbourhood officer, 14/12/03).

The struggle to retain a sense of the defining goals and purposes of housing associations in the face of new demands illustrates a key dilemma for contemporary voluntary organisations. The new demands have imposed important constraints, which limit the traditional core strengths of diversity and flexibility traditionally found within the housing association sector.

Housing associations have therefore introduced more specialist staff, including community development officers and those skilled in debt counselling to generate income from residents. As a manager of one of the largest associations commented: 'our housing officers used to deal with maintenance, now they only deal with rent accounting' (Interview no. 9, 5/3/97). Associations were starting to replicate traditional professional demarcations found in local government organisations. An example of this decline in generic housing management was found in the comments of a Director of one of the medium-sized London associations. As he explained:

The idea that you deliver the same service to everybody is changing because it is expensive...80 per cent of our tenants need absolutely nothing...But we are getting increasingly more and more dependent people coming in and we have got to make sure that we have targeted [these individuals] and got the skills to help these more dependent people (Interview no.8, 26/2/97).

The consequence of this view was that some organisations were actively discouraging tenants from contacting management staff. Housing managers were encouraged to spend their time on intensive management problems and avoiding time-consuming personal contact with residents. Thus:

That is different from just having an open door, saying "I am a housing manager, bring your problems to me". So we are actually saying to the tenants who are competent "don't bring your problems to me, go down to the housing benefit office, I'm not here for you" (Interview no.27, housing officer, 5/10/99).

The above example indicates certain ways in which the traditional informal models of housing management involving regular personal contact with residents are being reconsidered in the housing association sector. The Director of a large association made a similar point in saying: 'the housing officer tends to be bogged down in a lot of trivial stuff... It is a question of degree and we think we need to change the culture so that the housing officer can do other things...at the moment the housing officer's role is too broad' (Interview no. 16, 8/10/97). Organisations are therefore paying much greater attention to the 'core competencies' of staff members.

These ideas reflected a shift towards a more 'professional' culture for housing managers. The difference from the pre 1988 environment was illustrated by the following response from a training officer of one of the largest London associations:

In 1985/6 training was all over the place, it was disparate, booking you on a course when you saw something interesting. Plugging gaps in staff skills in a very unsystematic way. It was all very reactive and haphazard. There was no proper coordinated budget or anything. Now we have an

established in-house training programme with 100 or so courses a year and an expectation within the organisation that we offer a range of general skills training once or twice a year ... There has been a big shift in terms of the expectation of the organisation (Interview no. 9, 8/1/98).

The policy officer of one of the largest associations in the country expressed the change from generic to specialised roles in the following terms: 'what we are looking to is to provide a more segmented service. Certain people need certain things and we are going to try and provide those services to them' (Interview no. 9, 5/3/97). This change towards a more specialist role for housing officers was also mentioned by front-line workers. As an officer in another large housing association expressed it: 'management are now introducing a 'case work' approach to housing management. The approach is akin to a social work model. It involves intensive work with a limited case load' (Interview no.29, 8/12/00).

Housing managers therefore faced a situation where their responsibilities were in theory becoming more varied but in practice they are facing pressures to undertake more specialised and rigidly demarcated working practices. An example of the way in which the culture of housing association housing management had changed has been this clear attention to more focused areas of work, particularly arrears control. Thus 'staff are now called "income maximisers". They have to produce arrears reports every two weeks' (Focus group no.1, 27/5/99).

What appears to be emerging from these more specialist roles for housing managers is a new form of professionalism. Within the context of local authority housing management Furbey *et. al.* (2001) refer to a 'new network urban professionalism' (p.37) to illustrate the combination of skills required of contemporary housing managers as they struggle with the demands of cross-boundary and interdisciplinary working. Within the housing association sector, there has been less discussion of issues of professionalism. However, the end of a generic management function and the more specific skills required of managers within the voluntary housing sector suggests that specific and narrowly defined skills or competencies for front-line housing managers are

serving to create a new professional status for housing association staff based upon income maximisation and specialist skills rather than a generic housing management role.

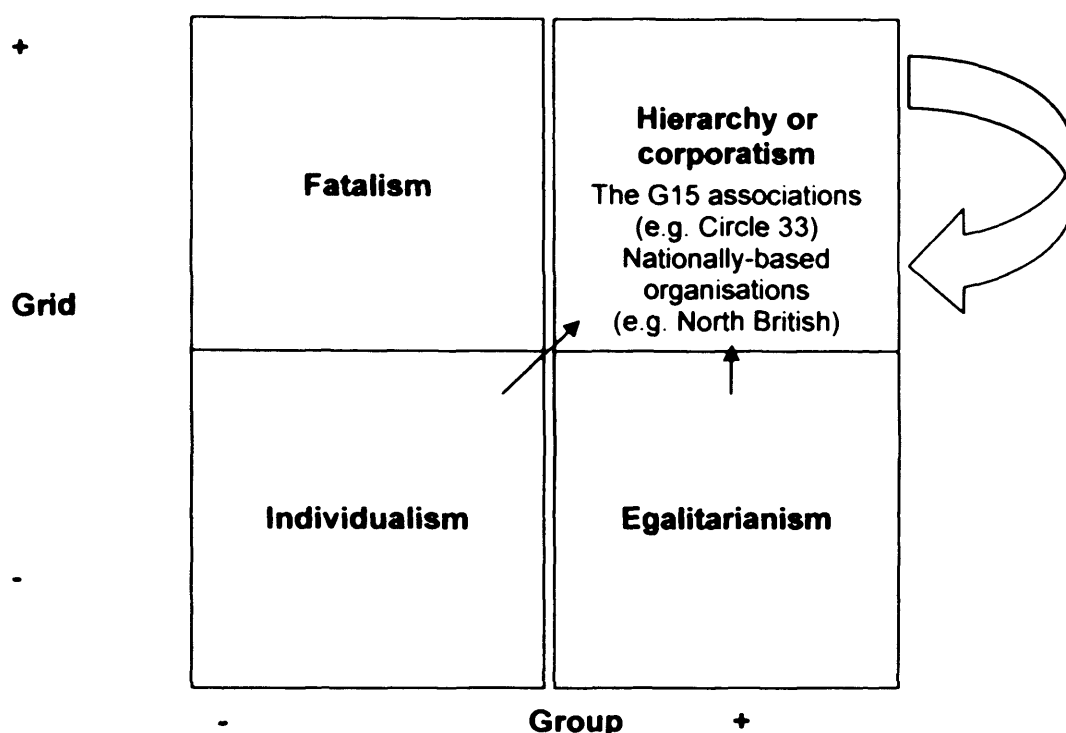
6.5 Conclusion

In the late 1980s the enthusiasm for local government 'modernisation' (DETR, 1998) and debate about changing local governance was assumed to imply a rejection of hierarchical structures in favour of decentralised, accessible, flexible and responsive service provision 'beyond bureaucratic paternalism' (Hambleton and Hoggett, 1987). The Housing Act 1988 was in large part based upon a disaggregation of housing provision, with the emergence of housing associations in the forefront of a more pluralistic style of service delivery. These policy objectives were underpinned by a proliferation of good practice guidance (Audit Commission, 1986; Cairncross *et. al.*, 1989; Chartered Institute of Housing, 1993) and academic research into the theme of tenant participation and decentralisation (Burns *et. al.*, 1994; Pollitt *et. al.*, 1998).

In contrast to the stated objectives of housing policy since the 1980s this chapter has shown that due to the necessity to ensure value for money, accountability and probity, hierarchical management plays an increasingly important role within the housing association sector. The sector is increasingly subject to task specialisation; systems and procedures based upon uniform principles; regulation and centralised control. A strong collective ethos and stricter regulatory control are becoming increasingly important components of housing policy and the traditional low grid nature of housing practice, whereby housing association staff were not constrained by political interference from local government members has been replaced by strong interference from a central government bureaucracy. Hierarchy can be seen as a continuing, central and ever-expanding component of contemporary housing organisations. Bureaucracies offered predictability and security through the operation of routine tasks and housing associations as they grew larger and became incorporated more fully within a modern welfare state increasingly

valued such traits. Figure 6.3 represents the movement towards hierarchy identified within the sector.

Figure 6.3: The shift to hierarchy in the 1990s



The consequences of elitism, loss of discretion and specialisation were likely to have considerable impact on the future development of the organisational identity of housing associations as their traditional image of small-scale, local, accessible organisations. The creation of a super-league of the G15 housing associations reinforced tendencies towards elitism with a small number of associations dominating the housing policy agenda. Secondly, housing officers faced diminishing opportunities to exercise formal discretion in their working practices. Finally, hierarchical pressures were leading to new ways of approaching traditional functions of housing management, moving away from informal contact with residents to encompass processes that are measurable and accountable. This last change is likely to have important consequences for the relationships between residents and staff of housing associations as

the housing officer becomes seen to be a less approachable and more remote presence.

As organisations grow and adopt standardised top-down processes and structures they have reinforced the dominance of a small number of large organisations. Housing associations have taken on some of the forms of local authority bureaucracies but also have their own distinctive features and assume new kinds of hierarchical forms.

Trends towards a concentration of power and influence amongst a number of small associations have created a solidifying and reinforcing effect. This 'premier league' therefore became an increasingly exclusive club, as smaller organisations found it progressively more difficult to enter the game. Thus, a tendency towards path dependency can be observed with a reinforcing effect, the larger organisations become progressively bigger and more standardised; bigger ones get bigger albeit reluctantly and the smaller ones become smaller (or become merged into other large organisations).

In order to continue to grow, large associations need to negotiate with local authorities from a position of strength. At the same time they risked jeopardising their local links as they become identified with unaccountable, appointed agencies. However, the main difficulty for housing associations is that they have adopted hierarchical features by default. Whilst local authorities were designed as large bureaucratic organisations, with strict departmental divisions, housing associations have adopted these features accidentally and incrementally. They have gradually moved away from their locally-based and community-oriented (egalitarian) origins. Most of these organisations were not designed to be hierarchical and they have therefore imposed bureaucratic mechanisms on unstable foundations. Their adaptation to hierarchical styles of working is likely to be problematic compared to the local authority sector which was designed according to Weberian principles of bureaucracy. One of the consequences of this more hierarchical approach is the adoption of a fatalist approach to management which is the focus of the following chapter.

Chapter 7

THINGS CAN ONLY GET WORSE? HOUSING MANAGEMENT IN THE FRONT LINE

We need to act in a new way because fatalism, and not just poverty, is the problem we face, the dead weight of low expectations, the crushing belief that things cannot get better (Tony Blair, speech at Aylesbury estate, Southwark, 2 June 1997).

7.1 Introduction

The concept of fatalism demonstrates one of the distinctive contributions offered by Cultural Theory, yet is largely neglected in discussions of organisational behaviour. As a high grid and low group environment, to what extent does fatalism depict existing social relationships within housing management? At one level, to portray the housing service as permeated by fatalism may be seen as a considerable distortion. The rhetoric of housing management sees residents as consulted widely and with a far greater degree of involvement in management discussions than ever before. Government policy in the late 1990s has been heralded as 'a major step forward in setting national standards for involvement by tenants in the decisions affecting their homes and localities' (Carter, 1999) and offering 'a radical shift in power within housing services' (*ibid.*, p.7). Initiatives introduced in the 1990s, attempting to achieve a measure of 'empowerment' for both tenants and staff, represent an important attempt to counteract apathy and powerlessness and purport to maximise choice, influence and status.

However, at another level, the practice of housing management continues to engender a high degree of fatalism both amongst residents and front-line staff. Hood (2000) suggests that third sector organisations provide potentially rich soil (Hood, 2000, p.151) for the development of fatalist attitudes as they

comprise a strong element of uncertainty, complexity and confusion. This chapter considers both the pressures towards and consequences of fatalism within the voluntary housing sector amongst front-line housing managers and residents. In considering evidence for the prevalence of fatalism within housing associations, the chapter examines the extent to which the cumulative impact of progressive government constraints combined with the geographical concentration of disadvantaged groups and the inherent nature of the management task have exacerbated an attitude of passive resignation to management change.

7.2 The pressures towards fatalism

The 'central principle on which a fatalist society operates is a rejection of co-operation in any form, as something likely to have unpredictable and possibly unpleasant results' (Hood, 2000, p.148). Fatalism is perceived as a rational response to 'an inherently insane and unpredictable world' (*ibid.*).

Fatalists tend to be self-oriented and lacking in altruism. Moreover they have an extremely pessimistic view of nature, expecting that attempts to improve their lot will result in failure. Reinforcing these beliefs is a deep risk aversion and a strong tendency to discount future rewards... In general they will avoid risks and pursue behaviours that free them from having to depend on others for their own success (Chai, 1997, p.54).

This chapter will demonstrate that fatalism can be seen as an important although largely unacknowledged element of much housing management practice. Moreover, it is particularly prevalent within the housing association sector (and particularly new developments since 1989) due to a combination of exogenous and endogenous pressures. The effects of fatalism are seen amongst staff, they distort relationships between staff and residents and in the resident experience of housing management. However, despite an understandable tendency to assume that fatalism must be an entirely negative aspect of organisational behaviour, the final section considers the extent to which fatalism can also be viewed as a positive feature of organisational behaviour.

7.2.1 Exogenous (*high-grid*) pressures: government agencies

The external pressures facing the housing association sector can be seen as exerted by government agencies (central and local) and by social and economic factors. By the late 1980s, the close control exerted by the Housing Corporation over associations was seen as offering 'central government a more direct way of achieving its objectives than working through local authorities' (Cairncross *et. al.*, 1997, p.23). Thus, government Ministers began to see that instead of having to coerce recalcitrant and oppositional local authorities into meeting government objectives, a more effective way of ensuring output targets were met was through the control of a nondepartmental body in the shape of the Housing Corporation. Housing associations were forced to respond to guidance, prescription and requirements laid down by central government agencies in order to qualify for the substantial public subsidies that became available. In addition, pressure was exerted through the Audit Commission (1989) to improve the performance of housing associations in accepting homeless households.

One of the key historical strengths of the housing association sector has been its strong sense of autonomy and independence; many housing association managers therefore naturally complained of increasing levels of government interference. As a senior manager of a large housing association commented, housing policy after 1988 had moved in the direction of greater centralisation:

I think the biggest single criticism that you could make of housing policy is that it is driven from the centre and strongly determined priorities from the DETR. I think there has been a marginal shift, but there is still a very strong central determination (Interview no.12, 8/4/97).

This view echoed those of other writers who argued that in relation to housing associations 'the rules of the game are all determined by the centre' (Lambert and Malpass, 1998, p.106). Managers expressed frustration at the dual imperatives of strict regulatory control and measures to ensure efficiency. These constraints applied to association activity led to fundamental changes in their autonomy. 'Historically, housing associations had plenty of freedom

and few resources. Now, through social housing grant and housing benefit, they have plenty of resources but little independence' (Malpass, 1999c, p.31). Housing associations were therefore perceived to have jeopardised their legitimacy as they become associated with central government rather than autonomous actors. Managers expressed a strong sense of hostility towards external regulation imposed upon them. Talking of the period immediately following the introduction of the 1988 Act a committee member of a large association commented: 'at one stage it was terrible, we were being strangled by the bureaucracy of the Government and the Housing Corporation' (Interview no.23, 25/1/99).

At the same time, centralised policy-making was accepted as inevitable within an environment where housing associations assumed greater responsibility for the delivery of housing services. In the late 1990s, one manager expressed the view that 'regulation is going to impinge more tightly' (Interview no.6, 11/2/97). Another manager warned that increasing centralisation would threaten organisational identity: 'Regulation has become far more prescriptive...The danger is that we lose some of the diversity we have within the housing association world' (Interview no. 11, 21/3/97). The extent of control exercised by the Housing Corporation led some to comment that organisations 'can scarcely make a move of any real significance without first gaining the approval of the relevant regional office' (Malpass, 2000a, p.272). The Housing Corporation was therefore increasingly seen as a 'controller rather than a nurturer' of the housing association movement. Thus 'although an element of policing was necessary, if control was too tight, many associations would fold up or at least function inefficiently' (Balchin, 2002, p.236).

Institutional constraints upon housing associations were imposed in a top-down manner not only through central government but also by the decisions of local authorities. As seen earlier, the ability of housing associations to directly influence the local policy agenda was largely determined by their size, structure and resources. However, even for those organisations with the capacity to influence local decision-making, there was increasing pressure to

adhere to local authority demands in exchange for land deals and development opportunities. One of the major constraints on the independence of housing associations was the use of increasingly prescriptive 'nomination agreements' by which local authorities designate the proportion of properties that housing associations should offer to applicants on their housing waiting lists. Particular areas were often seen as affected by these arrangements. Thus:

Southall has been used as a dumping-ground for the Somali community. The agreement was for 100 per cent local authority nominations reducing to 75 per cent on the 4th let (Interview no.34, housing association manager, 6/1/03).

These kinds of agreements both restricted the autonomy of housing association staff and created an impression that such developments were restricted to low status groups. Such trends represented classic breeding grounds for a fatalist cultural ethos as they encapsulated highly regulated (high grid) environments with little scope for a collective identity to flourish. These agreements were widely used by local authorities for new developments in high-demand areas such as London. Thus, it was a common practice to have 100 per cent nomination rights for a minimum of ten years on new developments if built on council land or with local authority social housing grant (Withers and Randolph, 1994, p.58). Housing association managers saw themselves as having minimal input into resident selection and allocation on many of their high-profile schemes for the foreseeable future.

Further restrictions were evident in the fact that in areas such as London, residents felt they were denied access to their landlord's own accommodation. The proportion of vacancies that can be offered to a housing association's own tenants ('transfers') was generally below 30 per cent and in many cases less than 20 per cent of their residents (NHF, CORE data).

Economic pressures acted as an additional constraint on the development programmes delivered by the sector. The need to ensure efficiency savings resulted in a shift away from high risk rehabilitation programmes (where costs were very difficult to estimate) towards new build, large-scale consortium

estates (where risk was shared and where development costs were fixed). This meant that the traditional function of associations to identify street properties for purchase and rehabilitation was abandoned in favour of building large estates and developing in consortium arrangements with other social landlords. The extent to which associations had to accept constraints dictated by local authorities was expressed by a housing association development officer: 'We would not get the land because we could not afford the price unless the rules of the game were rigged' (Interview no. 33, 2/12/02). Housing associations were increasingly forced to accept land deals which were largely contingent on the wishes of local authority partners and the acceptance of a high percentage of local authority nominated applicants.

An additional economic pressure was that housing associations found increasing difficulty in identifying new sites for development in the London area. The impracticability of generating new affordable housing within high demand inner city environments has led to a number of studies from professional bodies and housing associations raising concerns about their future viability (LHF, 1998; 1999). As the National Housing Federation suggested:

The combination of rapidly rising land, property and construction prices across the capital, continuing grant rate reductions for new build and the introduction of rent caps now means that the development of new housing in many parts of the capital is almost impossible to deliver (NHF, 2000, p.3)

Housing associations had very little room for manoeuvre within high-demand areas (almost all of London could be so classified). Thus, in the late 1990s, not only were housing associations increasingly reliant on central and local government agencies but they were also dependent on a variety of statutory and voluntary bodies to achieve their objectives. The dependence on external agencies created considerable challenges for the voluntary sector, which had been used to exercising considerable latitude in their decision-making.

A further significant change of government policy followed the 1997 General Election. Acknowledging the problems of benefit dependency within new housing association property, government stipulated that restrictions should be made upon housing association rent levels (so-called 'rent caps'). Over a number of years rent increases were limited to the retail price index (RPI) plus a small percentage. The 2000 Green Paper (DETR, 2000) proposed that rent increases levied by housing associations be limited to RPI plus zero. These restrictions further reduced scope for autonomy and led to predictions about future financial viability. These limitations have had a significant impact in terms of ability to develop new social housing in high demand areas such as inner London.

An important constraint on the autonomy of the sector was introduced when the government decreed in 1999 that housing associations should be subject to the same rigorous inspection regime as applied to the local authority sector. This regime, termed 'Best Value', initiated a regulatory process based on statutory performance indicators and comprehensive performance assessments. Housing associations were subject to regular inspections from the Audit Commission (who had replaced the Housing Corporation) and had to demonstrate 'continuous improvement' in service delivery. Housing associations were then classified on the basis of a 'traffic light' system (red indicating significant failure, amber for the possibility of improvement and green for satisfactory). Seen as 'an inspection system intended to ensure compliance' (Bramley *et. al.*, 2004, p.144) the Best Value regime was also described as 'an approach which is centrally driven, prescriptive and mechanistic' (Maile and Hoggett, 2001, p.518). As part of a wider trend towards increased central government regulation of public bodies (Hood *et. al.*, 1998) the housing association sector had to fall in line with a hierarchical process which measured processes and outputs to an extent that was unprecedented.

7.2.2 Endogenous (low group) pressures: housing association residents

The constraints of government coexisted with a conspicuous change in the social status of housing association residents. The nomination agreements concluded as a result of negotiations between local authorities and housing associations meant that new properties would be exclusively offered to 'priority need' groups. These groups were defined in statutory terms as those with dependent children or suffering health problems. New housing association developments inevitably entailed a high concentration of disadvantaged groups as the vast majority of properties were restricted to households meeting statutory homelessness criteria or otherwise being defined as in a 'high need' category.

A major issue for social housing since the late 1980s was the way that the income profile of those in the housing association sector became 'progressively skewed towards the bottom two income deciles' (Forrest, 2000, p.212). Changes in the socio-economic profile of residents meant the housing association sector rapidly became associated with a lack of choice and a sector of last resort. Table 7.1 illustrates how on a national basis the steep decline in full-time employment in housing associations is reflected by a growth in economically inactive groups over a 20 year period.

Table 7.1: Employment status of housing association head of household, Great Britain, 1981-2001 (%)

	1981	2000/01
Full-time employment	42	24
Part-time employment	4	9
Unemployed	6	6
Retired	34	34
Other economically inactive	14	27
Total	100	100

Source: Bramley *et. al.* (2004) Table 2.8

Turning to London, table 7.2 illustrates the steep rises in lettings to homeless households. Whilst the figures apply to all tenancies, the vast proportion of these lettings was to housing association landlords. The figures are particularly striking bearing in mind that in 1980/1 only 27 per cent of lettings in London were to homeless households (see table 3.8 earlier).

Table 7.2: Lettings to homeless households in London, 1988 to 2002 (percentage of all lettings to new tenants).

Region	1988	1990	1992	1994	1996	1998	2000	2002
London	53	46	76	64	60	51	61	67
South	26	25	53	49	49	36	41	54
East England	27	28	46	40	34	25	25	31

Source: Wilcox (2003), Table 97b

Whilst striking, these figures underestimate the processes taking place on new housing association estates with the sector being forced to accommodate a client group increasingly comprising low income households; minority ethnic groups; households with children and 'vulnerable' groups.

One of the most influential reports commissioned about the impact of housing association development policies was that produced by Page (1993) whose 'Cassandra' warnings (Cole, 2000, p.166) have been borne out by the figures for benefit dependency, low income and economic inactivity on new housing estates in London, compared to traditional council or other housing association property. It is estimated that over 70 per cent of all new lettings by housing associations in London were to households with no wage earner (National Housing Federation, CORE statistics, January 2000). Due to the strict eligibility criteria for offering tenancies, new housing association estates have become firmly associated with a resident profile dominated by low-income earners, unemployed and economically inactive groups. London

housing associations have seen a very rapid process whereby new tenancies are allocated to the most deprived groups. By 2003 it was estimated by the National Housing Federation (NHF) that 91 per cent of new lettings in London to housing association family units were from local authority nominations (*Inside Housing*, 12/12/03).

Moreover, the new tenants of housing associations are disproportionately selected from groups classified as 'vulnerable', meaning elderly households, pregnant women, those with dependent children and individuals suffering health difficulties, this last category increasingly signifying mental health problems. The combination of the 1990 NHS and Community Care Act and longer-term policies of 'normalisation' and 'deinstitutionalisation' (Means and Smith, 1994) resulted in the closure of large psychiatric hospitals with individuals encouraged to accept tenancies within mainstream housing provision (meaning housing association accommodation). These policies placed greater pressure upon housing associations with a perceived lack of support from local authority social service departments (Lewis and Glennerster, 1996). The effect of allocation policies, which are designed to give priority to statutorily homeless households, means by definition that landlords are compelled to provide accommodation to significant numbers of individuals with mental health problems. New housing association estates therefore comprise a volatile mix of residents with learning difficulties, mental health problems, drug dependencies, disabilities and high numbers of single parents. Front-line staff were increasingly anxious about the impact of a changing client group: 'We are not social workers or psychiatrists, a lot of us do not want to go down that road' (Interview no.29, housing officer, large housing association, 8/12/00).

Housing associations have therefore seen significant increases in the numbers of residents suffering psychiatric problems and requiring more intensive management support. A study conducted by the London Housing Federation (1995) estimated that 60 per cent of new tenants could be placed

in the category of vulnerable and that these numbers were likely to increase.

As a senior manager commented

I think the issue about vulnerability is of fundamental importance, particularly in London or any Metropolitan area. The number of people we now take who have a history of mental health problems or who have had a mental health problem, particularly amongst single people is very large; most single nominees will come through vulnerability routes. That then brings the responsibilities of trying to manage that when you are not actually the manager of somebody, you are the care manager as such (Interview no.6, Director of Operations, 11/2/97).

In similar fashion a front-line housing officer expressed the way in which housing associations were expected to cope with new sets of problems without adequate resources:

The biggest change is in regard to the client group. This is mainly due to Care in the Community policies. Tenants are much more vulnerable, many have quite serious mental health problems. They cannot cope with a tenancy and there is no back-up support (Interview no.29, 8/12/00).

Allocation policies were seen as responsible for many of the problems of managing social housing as seen in the following comments from a community development officer:

The issue of allocation policies and council nominations is at the root of a lot of the problems... The policy has been one-offer only to get applicants out of bed and breakfast. The only transfer offers on to the estate have been management priorities; these are people who are already vulnerable. Others who are given properties are people who have been homeless, refugees and rough sleepers. 95 per cent of these people are extremely vulnerable (Interview no.35, 8/1/03).

This community development worker for one of the main London developing associations also commented on the profile of new residents:

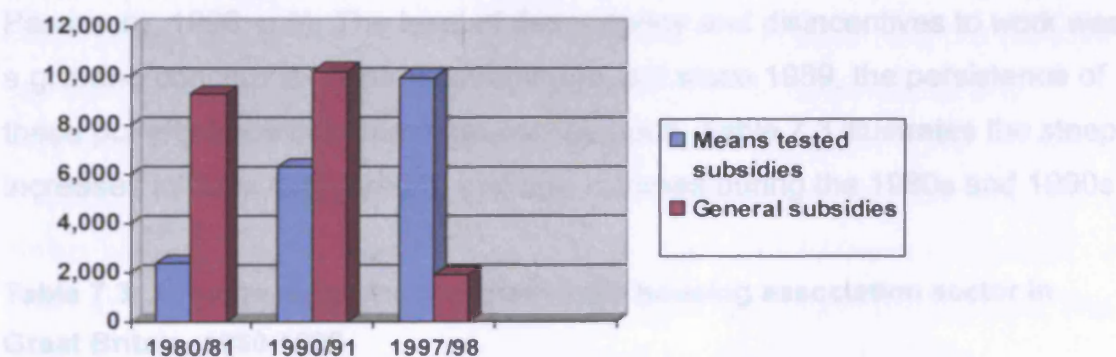
As legislation has become more stringent, more vulnerable people have been put on to the estate. What has their experience been? They have come from abroad; they may be battered wives; they have had no

experience of sustaining a tenancy; they are isolated; people who have suffered racial harassment (Interview no.35, 8/1/03).

Associated with these trends to house a much narrower band of socio-economic groups has been a perceived crisis of affordability (Whitehead, 1997, p.18) in the social rented sector. This problem of affordability entrenches poverty traps inherent within the Housing Benefit system (Kemp, 1998; Cole, 2000, p.168) and is linked to arguments about the development of a 'dependency culture' (Dean and Taylor-Gooby, 1992) within housing association accommodation.

The issue of affordability resulted from policy decisions in the 1980s to increase rents to market levels as finance shifted from capital to personal subsidy. Figure 7.1 illustrates the stark decline in general subsidies (from £9bn to less than £2bn in less than twenty years) as means tested benefits provided most financial assistance (from £2bn to almost £10bn, mainly provided through the Housing Benefit system).

Figure 7.1: Changing forms of assistance with housing costs, Great Britain, 1980-1998, £m at 1996 prices



Source: Conway, 2000, p.37

The requirement upon social landlords to manage risk and to rely on private finance led to associations taking decisions to impose significant rent increases over short periods of time. Housing associations had to use cross-subsidy to finance new developments and management costs were being disproportionately deflected onto tenants (Chaplin *et. al.*, 1995) a policy of

allowing housing benefit to 'take the strain' (Malpass, 2000a, p.26) of reduced subsidy was developed in the 1990s (Whitehead, 1997, p.18).

As landlords had to raise funds from their own reserves, the increases in rent levels were imposed at the same time as the sector was accommodating much higher numbers of residents dependent on income support and means-tested benefits. The result was to create a 'crisis of affordability' (Bramley, 1994) within social housing. As early as 1991 the National Housing Federation found that at a national level rents were set consistently above equivalent properties in the private sector and had risen at three times the rate of household incomes (Randolph, 1992).

The problem of affordability was more evident within the housing association sector than amongst local authorities, as considerable pressure was exerted from private financial institutions to maximise income in the late 1980s and early 1990s. The escalation in rent levels led to growing concern at the existence of 'poverty' and 'unemployment traps' (Hills, 1993) whereby residents were discouraged from working due to the high marginal tax rates of taking up employment as benefit is withdrawn. A growth in benefit dependency was associated with this process of 'pauperisation' (Brown and Passmore, 1996, p.9). The level of dependency and disincentives to work was a growing concern for central government, but since 1989, the persistence of these poverty traps became more conspicuous. Table 7.3 illustrates the steep increases in rents compared to average incomes during the 1980s and 1990s.

Table 7.3: Average rents and incomes in the housing association sector in Great Britain, 1980-1998

	1980	1990	1998
Average rent (£)	12.52	25.00	54.51
Average income (£)	66.00	94.00	142.00
Average rent as % of average income	19.00	26.60	38.40

Source: Wilcox, 2000

By the end of the millennium, the client group of housing association tenants had progressively narrowed to incorporate a higher proportion of disadvantaged groups. The extent of social exclusion found in new housing association accommodation was generally greater than that found in local authority estates without the same amount of time to develop community capacity to cope with the range of problems facing the sector. As a community development officer suggested:

On a local authority estate you have normally had 25-30 years to develop a sense of community. You cannot develop a community over 8 years (Interview no.35, 8/1/03).

To give an example, a neighbourhood profile of a development in outer London indicates the scale of the issues facing the sector. The development was typical of many of the new developments completed in the early 1990s (it was completed in 1992) by a consortium of housing associations. Table 7.4 illustrates the salient features of this estate and is symptomatic of many new housing association developments in London with unusually high levels of young people compared to old (43 per cent aged under 15, compared to 3 per cent aged over 60). The estate had high levels of unemployment (33 per cent compared to a borough average of 7 per cent) benefit dependency and sickness. Half the households had net weekly incomes below £200 a week. In addition, one household in every five on the estate had applied for refugee status at some point, of whom half had indefinite leave to remain in Britain. The neighbourhood was described by a caretaker as 'highly unbalanced. The only balance was in terms of need' (Interview no.42, 17/2/03). Such developments are increasingly common in high demand areas such as London, where housing associations in the late 1980s and early 1990s were compelled to offer properties almost exclusively to the highest need groups. Additionally, the background of many of the new residents was often perceived as highly problematic. As a resident caretaker explained: 'if they are

housing association tenants it is highly likely they have been kicked out of properties elsewhere' (Interview no.43, 17/2/03).

Table 7.4: Selected socio-economic profile of a London (housing association) consortium estate, 2003, compared to ward and borough data (percentages)

Household features	% of Estate (N =185)	% of Ward	% of Borough
<i>By age</i>			
Aged 0-15	43	23	20
Aged over 60	3	13	19
<i>By family type</i>			
Family and lone parent households (HH)	69	42	52
<i>By economic status</i>			
Economically inactive	55	42	52
Unemployed as % of economically inactive	33	8	7
Caring for family member at home	25	6	8
Long-term sick/disabled	14	3	2
<i>By income</i>			
Annual income below £10,000	36	24	18
Receiving income support	39	33	19
Receiving council tax & housing benefit	64	39	18
<i>By educational attainment</i>			
Pupils attaining 5 GCSEs, A-C	38	44	47
Pupils with free school meals entitlement	48	33	26

Sources: Resident survey, 2002, local authority ward data and 2001 census.

Problems were compounded by the fact that individuals with above average incomes would normally choose to leave the social rented sector to become owner-occupiers, with the remaining tenants perceived as dependent on welfare services. By the year 2001, a study by the Housing Corporation (2001a) found that four fifths of young housing association tenants planned to

exit the sector within the next ten years, reflecting the transient nature of the tenure.

Owner occupiers commented on the frustrations of living in close proximity to housing association accommodation on a predominantly social rented estate.

I just feel it is so simple. It is down to the management of who comes in to the area. I sometimes feel that this is a place where they want to keep the worst elements so at least the police know where to come when there is a problem. At least they are all in one area. That's how we felt; that that this place was a dumping ground for some real bad elements in society (Interview no.38, 14/1/03).

All of the above features contributed to a low level of collective identity, compounded by the view that few London housing association tenants had willingly moved into their accommodation. Research conducted by Cambridge University found that London tenants had little choice in where to move compared to residents in other parts of the country and their mobility 'reflected what households were offered rather than what they would choose' (Dataspring research report, quoted in *Inside Housing*, 9/7/03).

New tenants therefore comprised a much lower income profile; included greater numbers of vulnerable residents; greater proportions of children to adults and had far less choice about where to live. As a result, housing association tenants were seen as confined within social housing, unable to take up employment and only affordable to those receiving full housing benefit payments.

The tenure was no longer seen as diverse and available to individuals with a variety of needs and capacities, but rather one limited to households experiencing acute stress. These problems were intensified by a perception the social changes affecting the housing association sector had taken place over a much shorter period of time compared to their local authority counterparts.

7.2.3 Internal pressures: the nature of the management task

Housing management is governed by an organisational context characterised by ambiguity, uncertainty and imprecise functions. The level of indeterminacy within housing management, whereby the parameters of the job are difficult to define makes it more difficult to distinguish a clear role than in other more established professions such as social work (Franklin and Clapham, 1998). Front-line housing managers have often had a 'precarious legitimacy' (Furbey *et. al.* 2001, p.36) with their role being seen as a common-sense occupation with a low social status. Their work has been limited to generally low level and mundane generalist activities, such as rent collection, repairs and neighbour nuisance (*ibid*, p.37). Limited technical ability is associated with the task; there is uncertainty about the boundaries of housing management and historically little collective identity amongst housing managers (*ibid.*, p.38). Seeing the history of the housing profession and the 'professional housing manager' as involving dispute, conflict and uncertainty (Mullins *et. al.*, 2001, p.614) indicates how the perception of the practice of housing management has historically been seen as problematic.

As Stewart (1998) has argued the use of the word 'management' has further distanced the occupational identity from a professional status (p.39) by the implication that it has a narrow, administrative role. In addition, what Furbey *et. al.* (2001) term the 'fragile domain' (p.37) of housing professionalism can be illustrated by the fact that in the late 1990s only around 15 per cent of the estimated 100,000 core housing staff had become members of the professional body (the Chartered Institute of Housing) (Pearl, 1997, p.219).

Moreover, almost all discussion of housing management has been conducted within a local authority environment; there has been little or no discussion of housing association professionalism. Whilst (as shown in chapter four) senior managers have seen their pay scales rise and their status enhanced by playing a more central role in housing policy, this status has not been transferred to front-line housing managers. In the past housing associations could be seen as a more attractive career option than local authority work as

the management process was not subject to the same level of interference from local government members. However, as the nature of the management task became more problematic, housing association housing management could be perceived as an even lower-level occupation than local authority staff, lacking professional skills and consisting of crisis management of an increasingly problematic client group.

In addition, the focus on efficiency in the 1980s (based on the need to attract private investment) meant that contemporary housing management staff perceived that they were expected to work harder without additional remuneration and were increasingly subject to monitoring and surveillance within a performance culture based upon meeting organisational targets. Thus, at the same time that housing officers were dealing with a more challenging client group their duties were increasing disproportionately:

The workloads have become much greater. Originally I was managing a 'patch' size of 200 units. This has gradually increased to over 400 properties. At the same time we have not lost any responsibilities...The job is now noticeably more stressful...We are now swamped with work (Interview no.29, 8/12/00).

The pressures of the task were placing staff under considerably more difficult working conditions. Front-line housing managers therefore complained that 'the job has doubled' (Interview no.25, housing officer, 4/5/99).

The pressures of housing management meant that the task became less attractive as a career option. A survey conducted for a leading housing journal found that almost forty per cent of housing professionals would not enter the social housing sector if they had the choice again and that twenty one percent were actively considering leaving the profession (*Inside Housing*, 8/6/01). The process of residualisation referred to above, had strongly affected the motivation and commitment of front-line staff. As a housing manager of one of the largest London associations commented the task of the housing manager was becoming increasingly unpopular:

Let's face it, who would be a housing officer with all that grief when they can get another job for the same money and not get a load of earache? It's not exactly the most attractive job in the world is it? (Interview no.35, housing manager, 15/8/02)

Another senior manager of one of the medium-sized associations stated that it was becoming increasingly difficult to attract prospective candidates as applicants were dissuaded by the levels of pay and stress associated with the job. 'We cannot recruit good quality housing management staff'. (Interview no.37, 10/1/03).

The perception of housing management as constituting a limited and mundane set of tasks can be linked to an inability to exert a significant influence upon the direction of social housing policy. Karn (1997) for instance, has complained of a failure to 'champion the cause of the disadvantaged' (p.178) or more conservatively to defend services against cuts in provision. As Cole and Furbey state: 'faced with declining resources and growing operational problems in the 1980s, the challenge to government policy mounted by housing practitioners was often muted and focused on the detail of change rather than its underlying philosophy' (p.138). In particular, front-line housing management staff were seen as detached from the strategic decision making process and increasingly seen as playing a 'firefighting' role in the late 1980s and 1990s; preoccupied with their day-to-day working practices and unable to influence longer-term decision-making processes. Other writers have mentioned the degree to which housing departments 'accept their difficulties without public protest, and often apparently without realising the difficulties themselves. In effect they seem to operate at the level of practical rather than discursive consciousness' (Sarre *et. al.*, 1989, p.194).

A common response to the bewildering rate of change was to emphasise the extent to which the job had become entirely reactive, comprising a crisis management function. Front-line staff expressed the view that their jobs had become increasingly problematic, but at the same time less interesting, with decreasing levels of discretion and a tendency to degenerate into a limited set

of responsibilities. One senior manager warned of the dangers of indulging in purely reactive service provision: 'If you are managing nothing but a crisis, that seems to me to be the definition of impossibility' (Interview no.12, 8/4/97). The extent to which day-to-day demands of the job militate against forward planning and innovative management was summarised by one manager as follows:

Housing managers are not strategists...you do not need strategy when someone is breaking down the door to get accommodation. You don't need strategy other than self-protection... We have been almost wholly reactive (Interview no.6, 11/2/97).

The sense of managing a crisis was found to be deep-rooted amongst many housing staff. Thus: 'even with the best will in the world 80 per cent of a housing officer's time is spent on casework rather than developing initiatives on the estate' (Interview no.31, 15/8/02). Front-line workers commonly felt alienated by the plethora of new initiatives at the same time as being expected to cope with increased regulation from the Housing Corporation. The frustrations of the job were summarised by a housing officer as follows:

We have no support from the line manager, as the roles are so diverse. You are told to get on with the job whether it is right or wrong and then face the consequences...The most frustrating part of the job is not having enough time to finish things...there is not enough time within a thirty five hour week... some of us are doing fifty hours...we do not give tenants as much time as they deserve (Interview no.27, 5/10/99)

Thus, housing staff felt that they were struggling to cope with the day-to-day pressures. The demands of the job were such that it was very difficult to engage in long-term strategy or to make forward planning whilst the features that made the job attractive (the personal contact) in the first place had been lost.

An additional question was whether housing managers wanted to play a role traditionally associated with social work. Housing association accommodation had become equated with a client group with little sense of a cohesive identity apart from the fact that they were a group with numerous social problems. Often residents were perceived to be inappropriately housed and lacked

effective support mechanisms. Housing managers faced larger 'patch sizes' in attempts to increase efficiency they found themselves unable to manage more complex and specialist support needs (Hack and Humphreys, 1998, p.9). Thus, 'the tenants need massive support which is not being provided' (Interview no.36, community development officer, 8/1/03).

Front-line housing staff also felt that they were progressively becoming subject to much higher levels of personal abuse. As one housing officer expressed it: 'dealing with residents on the phone is very stressful when people are incredibly obnoxious. The abuse has definitely got worse' (Interview no.29, 8/12/00). Similarly, 'I don't expect people to be grateful but I don't expect them to be quite so horrid. You would not believe the abuse that we get from some of our residents' (Interview no.48, neighbourhood manager, 14/12/03).

Housing association allocations policies were widely assumed to have contributed to generating a more difficult environment to manage. As a local authority officer commented, speaking of a housing association estate built in the early 1990s:

There were real concerns about allocations policies. [For example] the fact that we were housing so many drug-users, single parents and ex-offenders. It has to be a recipe for disaster...It is all very well to house those in the greatest need but the short term benefit has turned into the long term hell (Interview no.42, 17/2/03).

The housing management task was compounded by a complexity of partnership arrangements and interorganisational networks (Reid, 1995; 1997; 1999). The management of multi-agency projects whilst in theory offering opportunities for cross-boundary working, in practice often resulted in a lack of guidance and uncertainty: the consequence was a high level of 'confusion about what the job involves' (Interview no.29, housing officer, 8/12/00). The management of housing association consortium arrangements provides the clearest example of the difficulties associated with inter-agency

working. The kinds of problems encountered were summarised by a housing manager in the following terms:

The confusion surrounding the management of the consortium on the estate is compounded by what is going on in the sector at the moment, there is a huge staff turnover. There is no continuity, there is not a single person who has been there in the consortium from the start to now. We have lost that wealth of knowledge. We will continue to do so until there is a change in the economic climate (Interview no.31, housing manager, 15/8/02).

Problems that were common to local authority housing estates were therefore magnified by the lack of continuity and the fragmentation resulting from having a range of different landlords taking responsibility for a neighbourhood.

The fatalism of staff was exacerbated in a vicious circle whereby front-line officers felt that their only option was to leave the housing management profession. A high level of staff turnover was commonplace as individuals were reluctant to work in such a stressful environment for any length of time. As a housing officer in one of large associations suggested: 'We have experienced a huge turnover of staff (currently the housing officer is a temporary member of staff). This has disrupted all our community tenant initiatives – there is a concern about the stop-start of activity over the last 6 years' (Interview no.32, 15/8/02). The level of turnover particularly affected consortium schemes where a variety of landlords had responsibility for managing a neighbourhood: 'The problems are magnified by having 6 or however many members there are' (Interview no.31, housing manager, 15/8/02). The level of confusion was illustrated by the fact that none of the interviewees was aware of the exact number of landlords responsible for the estate. The high turnover of staff meant that the opportunity to accumulate knowledge and skills was lost over time.

You don't seem to be able to get back to basics. The information about who owns the land, who manages the contract does not seem to be retrievable. It must be somewhere, but it is not in [our organisation]. That situation is replicated across the housing providers (Interview no.31, housing manager, 15/8/02).

Moreover, the management task in the late 1990s was also associated with an increasingly mundane and routine set of processes. Housing officers traditionally valued working in housing associations as their work comprised a more diverse range of duties than within a highly structured local authority environment. However, as one housing officer stated 'my work now entirely comprises neighbour nuisance cases. It becomes very frustrating. There is no variety in the workload' (Interview no.29, 8/12/00). Furthermore, one of the most intractable aspects of housing management; the management of anti-social behaviour, became more challenging as housing associations were encouraged to manage properties on multiple landlord estates. Neighbour disputes by definition rely on subjective accounts and are therefore notoriously difficult to resolve, but the problems are intensified by the reluctance of different landlords to follow common procedures. Thus:

Anti-social behaviour is a particular problem when you have multi-landlord disputes. A tenant of another landlord was taking action against one of our tenants. Who does the tenant go to when we have no jurisdiction? These kinds of reports tend not to get taken seriously. They do not get resolved well. There is a tendency to believe what your own tenant is saying against a tenant of another landlord. There is little communication between front-line officers (Interview no.35, RSL manager, 6/1/03).

A recurring theme in discussions with front-line staff was the frustration expressed both at a lack of management support and absence of training for staff attempting to cope with new ways of working. As one front-line manager commented:

We are not adequately trained for these new initiatives...We are not trained to deal with the changing client group. The lack of support makes us feel terribly helpless. We are in a similar situation to inner-city teachers (Interview no.29, 8/12/00).

This sense of helplessness was reinforced by the isolation inherent in carrying out day-to-day duties. A neighbourhood manager expressed the level of stress associated with experiencing some of the conditions of visiting tenants in their own homes, 'If I have to go there I go in last thing at night, I go straight

home and have a shower afterwards' (Interview no.48, 14/12/03). There was also little outlet for the frustrations of the job. Thus 'I have a patch of 600 houses. I could be out all day and if I have three visits from hell and I am alone in my car, I have nowhere to offload it' (Interview no.48, neighbourhood officer, 14/12/03).

Housing managers had a tendency to view their role in instrumental terms, having lost the idealism that attracted them to the job in the first place. As a management committee member of a medium-sized organisation expressed staff attitudes: 'Now it's more of a business... No longer are they in this job simply because they believe in housing. It's a job, nine to five' (Interview no.3, 25/1/99). A lack of professionalism which went hand in hand with a lack of status, suggested that working within a housing association environment had lost much of its original appeal as an informal sector, which attracted highly motivated individuals.

Although housing associations were being used by central government as a key policy vehicle, front-line staff did not see themselves as playing a strategic role. The management task became increasingly problematic at the same time as the workload was perceived to be more routine and constrained. Working in an environment where discretion is discouraged at the same time as contact with others was minimised, provides classic conditions for fatalism to flourish.

7.3 The impact of fatalism

The consequences of these fatalistic pressures are threefold. As housing management has become strongly associated with the management of decline, staff exhibit a strong sense of *futility* in their practices. Secondly, as certain neighbourhoods experienced a negative correlation between their tenure and the potential for social breakdown, the relationship between staff

and tenants deteriorated. Finally, the spiralling effect of fatalism is witnessed in the *resident experience*.

7.3.1 Staff futility

As shown above, the ability of housing associations to manage their affairs in a flexible manner was severely constrained by the demands of an environment based largely upon interdependency. The ability for associations to make their own decisions about who to house, about the level of rents to charge and where to develop become increasingly constrained as their room for manoeuvre was progressively limited. A major complaint amongst managers was therefore their inability to exercise autonomy in decision making as housing managers were forced to accept the consequences of decisions made by external agencies. For example:

The biggest problem is allocations. The rehousing officer will interview the tenant and I will get the tenant from hell. They recently landed me with a 16 year old girl. The other tenants in the block are going mad. She sleeps all day and parties at night; it is a huge issue (Interview no.48, neighbourhood officer, 14/12/03).

Such complaints were seen very differently depending on one's organisational position. Senior managers tended to adopt a much more positive view about relationships with partner local authorities. Thus, the 100 per cent nomination arrangements were negotiated at a senior level by development staff and directors to take advantage of available opportunities. In contrast, front-line staff perceived themselves to be excluded from these negotiations. The pressures of allocations systems generated a sense that their role had lost its purpose:

The problem is that we have to interview new applicants but if we don't like them that is not grounds for refusing accommodation. You normally get a sense of a person straight away. However, whoever the council give you as a nomination you have to take anyway, so what is the point of interviewing them? (Interview no.48, neighbourhood officer, 14/12/03).

Although such responses illustrate an alarming lack of awareness of the equal opportunities implications of housing allocations, they reflected commonly held complaints by housing managers. A senior manager of one of the large philanthropic organisations contrasted the period before and after 1988: 'before we used to interview the applicant. Now there is no point as we never turn them down' (Interview no.27, 5/10/99). This statement that associations were merely becoming the agents of local bureaucracies was a common refrain in discussions with front-line staff.

The nature of the task referred to above reinforced a sense of futility, partly manifested in low motivation. Thus, one housing officer stated:

I would say that morale in the organisation is appalling. A lot of people are away on long-term sickness absence...I think the increased workload has caused immense stress, in particular confusion about our role and the remit of the job. I think we are losing touch with what we are really good at, which is managing tenancies (Interview no.29, 8/12/00).

The demoralisation of front-line staff was also reflected in high levels of absenteeism:

There are three members of staff on permanent sick leave due to stress at work. We are not getting any of the nice rewarding jobs. I would estimate that the organisation is comprised of 28 per cent temporary staff, which is hugely expensive (Interview no.48, neighbourhood officer, 14/12/03).

The atmosphere of working in a rural office offered a stark contrast with that of a London office, 'when I was based in London I could sense the tension, it was very grim, especially as I did not even have my own desk' (Interview no. 48, neighbourhood officer, 14/12/03). In particular there was not felt to be any opportunity to benefit from the work. For example, 'We can all deal with stress if there is some relief. But there are not any rewards' (Interview no.48, neighbourhood officer, 14/12/03).

Front-line staff felt that as housing associations lost their ability to act autonomously, the rationale for their work had been lost. Thus: 'I feel we are

moving away from our core objective, that is being a housing agency' (Interview no.29, 8/12/00). Housing association staff complained that their work was made impossible as they faced decisions made by third parties, outside their control. In situations where housing associations were managing estates as part of a consortium of landlords, these pressures were exacerbated. For example: 'you are managing an area, which is largely out of your control. Others don't have the same standards. It is very difficult to get that enthusiastic that what you are doing is actually making a difference' (Interview no.32, community development officer, 15/8/02). This quote expressed the contrast with the period before the 1988 Act; when housing association staff felt that they were able to contribute to local areas, based on their local profile, their close relationship with residents and their small-scale activity.

The pressures generated by the contemporary environment led many staff to deflect their frustrations with their work onto other groups. Hence they would sometimes choose to categorise residents as dishonest, untrustworthy and liable to fraudulent behaviour. A front-line housing worker expressed the sense that housing managers were engaged in a meaningless game to encourage residents to pay rent on time:

People know their rights. In the past tenants would pay up if you threatened a Notice [of seeking possession]. Now they pay no attention, as they know they will not be evicted. They merely threaten to go to the press (Interview no.28, 5/10/99).

This example of arrears policies, which have been embraced by all social landlords as a priority, showed how core policies had become seen as a largely ineffectual exercise. Staff felt that their experience was characterised by impotence and an inability to determine organisational outcomes. This impotence was manifested not only through the exercise of tenant rights, but also through the impossibility of controlling the actions of other agencies. In particular, local authorities were singled out for criticism. Thus:

Rent arrears are mainly a problem due to housing benefit delays. I think we are blighted by the local authority performance. It takes ages to process standard claims and papers are frequently lost. We now send Notices [of Seeking Possession] even when we know people are eligible for housing benefit. We also seek court action while claims are being processed...It is futile however as Courts will not give [possession] orders where there are outstanding housing benefit claims (Interview no.9, 8/12/00).

Frustration with the legal process was a common complaint. Staff expressed irritation that although they were forced to give priority to rent collection, their efforts were inevitably unproductive as the judicial system was inherently biased against them. For example, a front-line worker complained:

The judge always finds in the tenants' favour, always. You have a family from hell who have been to court numerous times before and the decision is just to review [the case] in six weeks. Why? The only evictions you get are when the property is abandoned; when people know they cannot stay. Those smart enough to know the system will stay where they are. They will go through the procedures knowing that they will not have to leave their property as they have been through it so many times before. Meanwhile you have to arrange bailiffs, locksmiths on the off-chance that the court will find in your favour (Interview no.48, neighbourhood officer, 14/12/03).

Housing staff saw their work as increasingly comprising a ritual set of games with predetermined outcomes. Possession notices were issued, not to secure the eviction of residents, but merely in order to motivate government agencies to take action. The activity of instigating possession proceedings was condemned as a pointless and time-consuming exercise, with all parties aware that they were engaged in a purely symbolic process. There was a considerable degree of scepticism about the suitability of measures to monitor and evaluate performance. For example one member of staff suggested:

Targets are unrealistic, for example rent arrears. If targets are not met, salaries and morale suffer. We have targets of 101 per cent rent collection, yet we carry historic debts of five to six years. The targets are completely unattainable; you have to manipulate the figures. It is the only way to justify the work being done (Focus group no.2 , 2/6/99).

Rather than increasing the commitment and motivation of staff, the constant monitoring and supervision of working practices generated incentives to

abuse procedures and systems in order to meet desired targets. A manager of a small voluntary organisation admitted that this engendered an attitude of dishonesty: 'you almost have to cheat to keep your job' (Focus group no. 2, 2/6/99).

A sense of futility was also clearly evident in attitudes towards tackling anti-social behaviour. Due to the changes in the client group considered earlier, the problem of neighbour nuisance assumed a high priority for central government since the late 1980s. In particular housing workers were preoccupied with the difficulty of taking effective action against the perpetrators of anti-social behaviour; in many cases residents suffering mental health difficulties. As one front-line housing worker expressed it: 'What can you do if you are dealing with somebody who is clearly unwell?' (Interview no.29, 8/12/00). Housing staff saw themselves as largely powerless to confront the most serious instances of neighbour nuisance as their only effective weapon was eviction, which would not be granted in a court where there was evidence that the resident suffered mental health difficulties. Housing officers felt frustrated that their efforts were not appreciated by their residents:

You can't win, housing officers are often out of the office, tenants complain that they always get their voice mail, then that they never see them on the estates. You are in a no-win situation (Interview no.31, Housing Services Manager, 15/8/02).

This sense that change was impossible, led to a strong sense of demoralisation amongst staff, particularly at front-line level. The cumulative impact of managing a client group, dominated by poverty and unemployment; of excessive regulation and front-line workers' perception that their jobs were undervalued and underpaid bred a strong sense of resentment. This resentment was expressed in the view that a large part of the practice of contemporary housing management was essentially a worthless activity. Thus 'The most frustrating part is that you cannot change their expectations. In reality I know that I cannot make a difference' (Interview no.48, neighbourhood officer, 14/12/03).

Those who had experience of housing associations also expressed scepticism about many initiatives, in particular schemes to increase resident involvement. For example one advice officer commented: 'I think empowerment is flowery talk basically. I have always had doubts about it. Give me an example of someone who has become "empowered". I just find it rhetoric, hot air... Blairite spiel' (Focus group no.3, 18/4/02). Staff commented on a sense of desperation amongst landlords to involve residents, with incentives given to tenants described as 'almost like bribery' (Focus group no.4, 24/4/02). There was also considerable cynicism about how these schemes were perceived by external agencies. For example, one front-line housing manager stated:

As housing officers we are given no training in enhancing tenant participation. All we were asked to do was to drop leaflets through doors. It is quite scary as I think [involvement] is one of the worst aspects of our performance, yet we were recently inspected and praised by the Housing Corporation for our tenant participation (Focus group no.4, 24/4/02).

Housing association Board members could also be susceptible to a sense of futility in their (post 1988) roles and functions. The difficulty facing management committee members has been expressed by Malpass (2000a) as follows:

The combination of performance monitoring by the Corporation and the employment of professional staff means that in the larger associations board members have very little real work to do. It is fanciful to think that they are in control of strategy in any real sense...board members probably delude themselves if they think they make much difference or represent anyone but themselves (p.260).

A sense of demoralisation was evident in some of the responses from management committee members. For example one member of a large London association expressed a belief that her presence at committee meetings was entirely tokenistic. She stated: 'actually decisions were made in the pre-meetings before the committee. I thought, "why am I wasting my time here?"' (Interview no.22, 27/11/98). This type of comment represented a

suspicion that decisions were made without consultation with organisations paying only lip service to their expressed objectives.

7.3.2 Relationships between staff and tenants

Housing management has long been criticised for its excessive paternalism as practiced by local authority landlords: 'The traditional paternalistic style of housing management practiced by social landlords positioned tenants as passive supplicants, waiting for welfare help' (Bramley, *et. al.*, 2004, p.143). As discussed in chapter three, the historical legacy of housing associations, particularly the Shelter organisations, had been associated with a high level of personal support and informal contact. They were organisations that prided themselves on their ability to cultivate effective relationships with their tenants largely on the basis of a casual but nevertheless effective management style. Partly because they had not historically managed large estates but also due to a more informal approach to management, housing associations were largely insulated from the severe criticisms levelled at local government housing departments. In contrast, the post 1988 environment represented a serious challenge to these organisational images. The pressures of resource constraints, of private finance and changes to the resident profile resulted in priority being devoted to critical problems, with much of the taken-for-granted, routine responsibilities neglected. Situations therefore often had to reach a crisis point before intervention could be justified. Thus 'frequently the police have to be involved before support can be provided' (Interview no.29, 8/12/00). There were several indications that the relationship between staff and tenants had steadily deteriorated since the 1980s.

A strong indication of a worsening relationship was evident in the attitudes of residents to their landlords. For example, the tenant of an organisation formed through a merger agreement gave the following description of how the organisation had changed. It had become 'very distant in all meanings of the word ... The [previous] housing association taken over was local' (response to questionnaire, 18/3/01). This resident expressed a common complaint that

new merger arrangements had resulted in the demise of the local identity of housing associations as staff were now based in inaccessible offices. These offices were considerably further away from residents than local authority departments, entrenching the perception of an unapproachable and centralised service.

Front-line housing association staff characterised the relationship with residents as a 'one way street – we want to get information, but we don't really want to listen to their problems' (Focus group no. 3, 24/4/02). Staff appeared conscious that the changing environment had placed them in a process of containment, with a much lower level of tolerance of tenant behaviour and a relationship characterised by mutual distrust. The extent to which associations were underwriting financial risk through rent increases had a demonstrable impact and the clear consequence was that associations were forced to adopt a much less sympathetic attitude towards those tenants in rent arrears. For example staff criticised the adoption of vigorous rent arrears policies: 'I feel we are penalising the poorest tenants by harassing them to chase the housing benefit section' (Interview no.29, 8/12/00). Many front-line staff felt that the relationship had deteriorated not as a result of their own actions but due to the administrative incompetence of others. Thus:

DSS [Department of Social Security] and HB [Housing Benefit] are atrocious...staff will not discuss cases unless tenants are under threat of eviction. We are therefore considering issuing notices [of seeking possession] to all of our tenants in arrears (Focus group no.2, 2/6/99).

From a resident perspective relations with staff were described as 'good with the immediate housing officer but bad with the rest' (response to questionnaire, 18/3/01). Thus, the front-line housing worker remained an important point of contact, particularly in the light of organisational mergers and a greater hierarchical culture within many contemporary organisations. Nevertheless, descriptions of landlords often took highly detrimental forms, for example tenants described their organisation in the following ways: 'money

and merger mad' and 'not really a social landlord any more' (response to questionnaire, 18/3/01).

One tenant spoke of their experience in changing from a local housing Trust to a new national organisation. In response to a question about what their landlord was most successful at doing, the tenant answered 'bullying'. This tenant continued:

My first landlords were a housing Trust...they were committed to resident welfare and security with low rents...Unfortunately due to financial problems [the new organisation]... came in as agents. Since then we have experienced high rents, aggressive, bullying behaviour and a distant management style (Response to questionnaire, 18/3/01).

A housing officer expressed the tensions generated by models of management adopted in the 1990s: 'one problem is how the social work approach fits in with managing the tenancy. An authoritarian approach is needed at times, for example with nuisance cases' (Interview no.29, 8/12/00). Others commented on inherent contradictions in the management task. For example, one manager commented:

Housing officers have a very split role. We talk about rent and have to take tenants to court and then say: "by the way what do you think about this?"...On the one hand we are enforcing tenancy conditions and being very strict and on the other hand very friendly and wanting them to go to focus groups (Focus group no.4, 24/4/02).

Authoritarian attitudes were seen to result in coercive management interventions. Policies designed to control anti-social behaviour and to limit neighbour nuisance reflected an authoritarian impulse within contemporary housing management practice. From a staff perspective, managing neighbour nuisance presents the most frustrating and intractable component of the housing management task (Karn *et.al.*, 1993). From a resident perspective, whilst measures to limit nuisance may have been broadly welcomed in order to confront anti-social behaviour, they were at the same time indicative of a

much more punitive approach to management, introducing a firm element of social control.

Housing management therefore increasingly came to resemble an authoritarian function, whereby authority and discipline permeated day-to-day management practice (Franklin and Clapham, 1998). A more restrictive approach towards residents was expressed by a neighbourhood manager:

They see me as a representative of the landlord and not there to help but just to be aggressive. There is a perception that we are authoritarian and just there to control them (Interview no.48, 14/12/03).

Landlord strategies premised upon the assumption of preventing social breakdown required more punitive and intensive styles of management. Policies implemented in the 1990s reflected an increase in authoritarian interventions from managers. Thus one front-line housing officer spoke of a 'move to withhold services (such as transfers and improvements) in cases of rent arrears' and 'an emphasis on punitive measures rather than positive incentives' (Interview no.26, 12/5/99).

The 'pathologising' of disadvantaged groups (see Marsh and Mullins, 1998) has intensified a tendency to blame individuals for a high incidence of problems faced by housing associations. Such groups have served as easy targets to allocate blame, functioning as a socially excluded 'underclass', liable to anti-social and criminal behaviour. Representations of social housing residents in media portrayals and central government pronouncements have intensified the allocation of blame amongst particular categories of individuals (such as single parents). In the late 1990s media preoccupation with 'neighbours from hell'; created an impression that housing estates were environments containing unique combinations of social deprivation and anti-social behaviour. Policies to tackle anti-social behaviour demonstrated the way in which civil misdemeanours were becoming incorporated into criminal law. For example, the determination of central government strategies to tackle the issue of anti-social behaviour can also be illustrated by the concept of 'anti-social behaviour orders' (ASBOs) introduced in the 1998 Crime and

Disorder Act. These orders whilst covering civil offences can result in criminal prosecutions if breached. Despite the fact that just over 500 of these orders were issued between 1999 and 2001 and evidence of widespread variation in their application (Campbell, 2002) the initiative was extended in the Police Reform Act 2002 to registered social landlords. In spite of a lack of evidence about their efficacy, ASBOs have been used as an important weapon to demonstrate a commitment to tackling the problems facing housing association landlords with an array of increasingly prescriptive and authoritarian responses.

Housing association staff perceived that there was an increasing focus on the individual behaviour of their residents and the obligations attached to the reward of a tenancy. As one officer stated: 'the stress is now on being good neighbours' (Focus group no.1, 27/5/99). The implication of this statement was that residents needed to be socialised into developing appropriate normative standards of behaviour. Hence a more punitive culture had become established involving proposals to remove statutory rights (such as a right to a secure tenancy and easier grounds for possession of property). Social landlords were able to offer probationary or introductory tenancies to new residents and to 'demote' tenancies (thereby removing security) in Part 2 of the Anti-Social Behaviour Act 2003. These initiatives indicated the way in which landlords were far less tolerant to problems of neighbour nuisance and rent arrears; they were thereby able to remove long-held tenancy rights from their residents.

Paradoxically, the importance attached to resident involvement could also be viewed as heralding a more authoritarian response from social landlords and reinforcing difficulties for those unable to meet rental payments. Some committee members commented that financial institutions were particularly keen to encourage resident participation for precisely this reason (Interview no.20, 11/11/98). For example, one housing association committee member stated that residents were generally less sympathetic than officers:

Some of the tenants have some very perverse ideas about arrears and arrears control. They take a very hard line, not realising that the organisation actually houses people who come out of mental health institutions (Interview no.20, 11/11/98).

Tenant groups additionally felt that their landlords were suspicious of their role as representatives of residents. As an example one tenant commented:

Having been a Forum member for three to four years and having constant knowledge about tenant participation and courses I now feel our housing association do not like me knowing what I do now. I think they feel threatened as they are not used to us knowing anything (response to questionnaire, 18/3/01).

This statement indicated the discomfort experienced in the changing relationship between landlord and tenants despite expressed rhetorical commitment to partnership and mutual solutions. This tenant described their experience as 'horrendous with threats to certain tenants and fear of harassment' (response to questionnaire, 18/3/01). The style of management practiced by housing associations was also thought to have changed significantly from the early 1980s as measured by a firmer approach to rent arrears. Thus: 'In the housing association sector it has been estimated that eviction rates rose by 14 per cent from 1998 to 2000' (Pawson and Ford, 2002).

Negative attitudes towards residents were also pervasive, implying that there was little difference from previous styles of housing practice:

There is still a strong sense of paternalism. For example: "you're very lucky to have got that subsidised accommodation, what are you whingeing about?" or "Why should I provide a service if they are in rent arrears?" (Interview no.6, Director, 11/2/97).

An example of the changing ethos of the sector was given from a tenant of Peabody Trust in relation to rent collection policies:

The main change has been from a charity where the tenant was the main concern to making sure that the books balance. If we are two weeks in arrears with the rent we get a letter immediately. That did not

happen before. I mean it is not as if we are not going to pay (Interview no.30, 14/12/00).

Staff expressed concern that they had lost a sense of personal contact that had been the most important and rewarding aspect of their work:

The relationship with tenants has changed. When I first worked at the organisation, I had much more time. I would visit a tenant if they phoned. That is unheard of now, unless it involves a neighbour dispute. (Interview no.29, housing officer, 8/12/00).

The lack of face to face communication with tenants generated a belief that front-line housing association staff had become isolated in their bunkers. Working in offices removed from residents meant that the *raison d'être* of traditional housing management had been lost. An important consequence of the changes introduced in the Housing Act 1988 was that there was far less tolerance of rent arrears and neighbour nuisance. Housing associations had therefore moved to a more intensive management style which carried a strong resonance of authoritarianism.

7.3.3 *The resident experience*

Housing associations were perceived to occupy a low place in the list of priorities for both central and local government. As groups housed were from the lowest socio-economic deciles and included significant numbers not eligible to vote (as they were asylum seekers, people suffering mental health difficulties and children) they were inevitably not likely to form an effective political constituency.

The lack of pressure groups campaigning for the rights of housing association residents is a noticeable feature of the contemporary political landscape. For example the pressure group Defend Council Housing, discouraged membership from housing association residents as their rationale was to dissuade council tenants from voting to become housing association tenants (Interview no.42, 17/2/03).

The development of new housing association estates constructed since the early 1990s benefited from relatively high design standards and in that sense many of the lessons from failed municipal mass housing schemes had been learned. However, it appeared that new forms of social problems were becoming evident within housing association accommodation. As a manager of one of these schemes commented:

On paper it fits all the criteria for a perfect social planning, but in reality none of it works; there are problems of drugs, prostitution, quite violent crime and anti-social behaviour (Interview no.32, 15/8/02).

A further consequence of the allocation policies referred to above was that residents were often likely to be inappropriately housed and lack effective support mechanisms. As housing staff managed larger 'patch sizes' in attempts to increase efficiency they found themselves unable to manage more complex and specialist support needs (Hack and Humphreys, 1998, p.9).

The perception of twenty-first century social housing as a marginal and residual tenure was marked by a high level of stigma attached to the granting of a tenancy. As a housing officer of one of the largest London developing associations stated:

There is a lot of pressure from leaseholders and still a lot of stigma directed against mainstream tenancies. I am sure that many complaints result from the fact that they are directed against housing association tenants (Interview no.29, 8/12/00).

Housing association tenants were seen as being at the bottom of a hierarchy of tenure types. Thus 'I am sure that there is a pecking order of housing: owner occupiers, leaseholders, council tenants, housing association tenants and homeless households. Housing association tenants are slightly above rough sleepers' (Interview no.36, community development officer, 8/1/03). The changing social composition of housing association tenants created intensive demands on housing staff but in particular the perception that social housing

had become a residual tenure for marginalised groups had a detrimental impact upon service delivery.

Furthermore, the low social status of housing association residents meant that there was no viable political constituency associated with the social rented sector. As a senior manager of a large housing association acknowledged, the result of policy changes was that:

You had in principle an acceptance of shifting from a producer to a consumer-driven culture, while at the same time the consumer is becoming an increasingly disempowered person in terms of economic and social status. (Interview no.12, 8/4/97)

Thus 'providers and tenants in the sector remain politically vulnerable, with future financial support for both still being unpredictable in the longer term' (Harrison, 2002, p.126). The suggestion that the sector is becoming rapidly associated with social exclusion and with fragmented and marginalised communities meant that the management task was not a high priority for policy-makers despite much government rhetoric to the contrary. As a front-line housing officer commented 'it is always the tenants who get forgotten about' (Interview no.28, 5/10/99).

Similarly, a management committee member expressed the view that residents were largely passive recipients of housing services and had therefore been able to have little say in management decisions: 'I think housing association tenants have always had a very rough deal because they have had very little influence and power over the landlord' (Interview no.22, 27/11/98). One of the central problems facing housing association managers was that neighbourhoods lacked political support and therefore nobody was prepared to agitate for improvements. An example can be provided from the case of a consortium development. A local authority senior officer commented:

Until recently it was almost invisible as an estate and as a community. It was not on anybody's radar. None of us was really aware of the depth of

the problems until we started Neighbourhood Renewal. I also think it was low on the housing associations' priorities. The concept of being a housing association site made it invisible. It was originally a health authority site and did not concern us except for needing planning permission. It became an enclave and something of a law unto itself. There were so many housing associations with a stake in it and all of them politically seem to have bailed out. (Interview no.42, project manager, 17/2/03).

New housing association estates were therefore not likely to feature heavily in organisational priorities. Residents were therefore left with a sense that nothing could be done to solve the myriad of problems encountered on their estates. For example one senior manager commented: 'I think that the perception is that the police don't deal with [the problems] so what chance has the housing association got?' (Interview no.35, senior manager, 6/1/03).

This marginalisation was compounded by the perception that such communities lacked effective leadership; the political representation was therefore inferior to that offered to council tenants. Thus, from a local authority perspective housing association estates were not seen as a priority. 'It was not seen as a local authority problem. Consequently there is a lack of adequate advocacy or championing of the area' (Interview no.42, local authority senior officer, 17/2/03).

The lack of interest in the housing association sector was intensified by low levels of resident solidarity and activism. This point was indicated by a lack of protest from housing association tenants: 'Interestingly we don't receive so many complaints from these residents. It has become part of their environment' (Interview no.35, community development officer, 8/1/03). Residents become resigned to the numerous social problems encountered, and their attitude was contrasted with the behaviour of other private sector residents:

It is common sense to respond to the people who shout loudest. However, [this estate] is silent. It is interesting that the most vocal

resident is... a leaseholder. She knows the routes to get things done (Interview no.35, community development officer, 8/1/03).

Such views clearly indicate that the marginalisation felt by a significant number of residents would be translated into a culture of passive acceptance of policy changes imposed by social landlords. Furthermore, where such residents were living on estates managed by a diversity of landlords it was very difficult to gain any sense of a coherent resident movement or consensus about collective issues around which to mobilise. The quiescence remarked upon in earlier studies of council tenants (Dunleavy, 1986) has therefore been accentuated by the particular circumstances of housing association residents in the 1990s.

The lack of a political constituency for housing association properties was starkly illustrated in the tendency for new developments to be managed as consortium arrangements. As an example a local authority officer commented:

It is peculiar that an estate as small as this should have so many landlords. The residents themselves have no sense of social justice. If they cannot act as a collective body and that is extremely disempowering and alienating. As there are so many different landlords and different systems they cannot coalesce around any issue (Interview no.42, local authority project manager, 17/2/03).

A management committee member warned that demoralisation would be widespread, particularly in situations where there was not a strong physical landlord presence (as in consortium estates): 'if you don't get someone then there is no hope. You can't do it with absentee landlordism' (Interview no. 44, 19/2/03). These concerns were echoed in the responses of front-line staff where fears of social breakdown were commonplace and often related to anti-social behaviour amongst children. As a resident caretaker of a consortium estate expressed it:

I have never known an estate as bad as this for children. I don't know anybody who doesn't want to move off here....I would love to move out

of this estate. If there are jobs in other areas I would be away like a shot (Interview no.43, 17/2/03).

A further aspect of the resident experience was the high level of cynicism and distrust evident from the responses of both front-line staff and residents.

Resident attitudes in some neighbourhoods pointed to a high level of scepticism about the benefits of area improvement. On one specific housing association estate, in answer to a question about whether any changes would encourage them to participate, 84 per cent replied that nothing would. 60 per cent would not recommend living in the area to a friend and 45 per cent felt unsafe or very unsafe on their estate. Additionally 54 per cent stated that they were not on friendly terms with their neighbours (LRFG, 2002 survey of tenants).

A fatalistic worldview was related to the increasing incidence of behaviour damaging to the community, in particular levels of open drug-dealing and prostitution on certain housing association estates:

I see prostitutes on a daily basis... It was a big shock to me when I came here. No-one told me it was like this. I feel like I am stuck here now. My kids hate it here; they absolutely hate it (Interview no.43, resident caretaker, 17/2/03).

The extent of social dislocation in certain neighbourhoods further generated a sense of poor service delivery in what could be seen as a self-fulfilling prophecy. For example, the presence of open soliciting and drug-dealing was expressed by one local authority officer as 'an indication of a community under siege' (Interview no.42, 17/2/03). A local authority project manager expressed the sense that in some housing association estates a fatalistic bias had gained a strong hold on entire communities:

I liken it to an individual. Certain people display what you could call a 'victim' body language. Certain people are more liable to be burgled and mugged than others. This is a community based on a type of victimhood. It gives off certain sets of vibes (Interview no.42, 17/2/03).

An indicator of this sense of fatalism was the belief in the existence of a symbiotic relationship between low aspirations and expectations of social housing providers. This point was clearly expressed by a local authority officer:

There is ... a police and community dynamic conspiring to make a community vulnerable. There is a lack of performance and a belief in simply maintaining the status quo. It is very subtle and is synergy at its very worst. It creates a really ugly reality. These are subtle negative features and really difficult to detect. I do not think there is a conscious decision to provide a poor service; it is more about low levels of expectations and aspirations from both residents and service providers. It is something that you almost need to deconstruct (Interview no.42, 18/2/03).

The resident experience of housing management was summarised by a senior manager of a large housing association: 'the residualised housing service of the future is only going to consist of either very intensive management or very intensive policing' (Interview no.12, 8/4/97). The resident experience was encapsulated in a distinction between old and new style housing association management techniques. The description of the experience of living in housing association accommodation as 'absolute hell' was a revealing comment made by a clearly frustrated resident (response to questionnaire, 18/3/01). In similar vein another resident commented 'I don't know what the answer is but I just know it is hell on earth at the moment' (Interview no.38, 14/1/03).

Fatalism could therefore serve to reinforce negative attitudes in a self-fulfilling prophecy. Commentators on housing policy have referred to processes of 'mutually reinforcing social, building and organisational problems' (Power and Tunstall, 1995); a 'cycle of labelling and exclusion' (Taylor, 1998) or 'downward spirals and dynamics' (Lee and Murie, 1999). However, most of these descriptions have been applied exclusively to local authority 'problem' estates. Despite Jensen's research into Danish housing organisations, illustrating that 'fatalism can thrive as a response to *any* of the active solidarities [of cultural theory]' (1999, p.185, emphasis in original) there has been little discussion of fatalism within the housing association sector. Fatalist

cultures are self-perpetuating leading to a strong sense of stigmatisation and notoriety, reflected in local perceptions of neighbourhood and reinforced by the social processes and management practices of housing associations. Residents and staff thereby become trapped in a spiral of ever-increasing fatalism. This approach had a number of causes in central government, senior managers and front-line staff. However, the effect was the same in that it created a sense of fear, frustration and stigma to the management of housing association accommodation. Having said this, fatalism could be seen as having some positive consequences.

7.4 The positive features of fatalism?

Management theory tends to view fatalism as an entirely negative development, which needs to be removed in order for effective organisation to flourish. The quote from Tony Blair at the top of the chapter provides a good example of this view with the notion that 'the dead weight of low expectations' was the priority to tackle. However, there is an argument that fatalism can act as an important pressure valve, allowing staff to express frustration and dissatisfaction. It is therefore important to acknowledge and allow staff the opportunity to express these frustrations and cynicism. Its function as a 'Greek chorus' (Hood, 2000, p.150) within public management, warning of potential dangers can be used to positive effect

To be fatalistic is to believe that events are unfolding in such a way that no other outcome is possible; it is to be without hope that any change could be brought about by human agency. This does not mean that the outcomes are always necessarily bad. It is possible to be a fatalist and an optimist (Gamble, 2000, p.12).

This optimistic outlook was reflected in comments from staff. Although a sense of community dislocation had clearly gained a foothold within certain neighbourhoods, which disproportionately featured housing association properties, a project manager commented: 'I always say that you should not underestimate the ability of people to survive in the most appalling circumstances' (Interview no.42, project manager, 17/2/03).

Not all staff viewed the level of problems apparent in the housing association sector as necessarily a negative experience. An alternative view was that crisis management could prove a source of comfort for some staff. Thus, one Chief Executive of a small housing association suggested that some staff actually welcome the challenges posed by these styles of management:

It is easy to fall into the trap of thinking that ... life is wonderful just because there is chaos. There's nothing nicer than crisis management. You don't have to deal with the boring stuff because you are too busy rushing around in a crisis (Interview no.4, 14/8/96)

Staff could therefore adopt coping strategies in order to accept their current situation. Their coping mechanisms include an ability to ignore problems and an acceptance of the confusion and conflict inherent in their role. Despite a certain level of scepticism, 'after a while you become very cynical in housing' (Interview no.48, neighbourhood manager, 14/12/03), some front-line staff were able to view their experience as positive:

Initially I felt extremely vulnerable going to where people lived. Now I'll stand up to anything. It is an excellent grounding for dealing with conflict. (Interview no.48, neighbourhood manager, 14/12/03)

In such ways, fatalism may be an appropriate strategy for managing within a chaotic environment with staff welcoming the diversity of experience that the role could offer:

I like a challenge. I need a lively kind of job. I actually enjoy going back to work after I have been away on leave. The job is very varied and no day is the same. I like meeting people and making contact, although sometimes it can be very fraught. I could not sit at a desk all day long. I do enjoy the job and cannot imagine doing anything else (Interview no.48, neighbourhood officer, 14/12/03).

The level of personal contact, although often expressed as a stressful experience was also seen as a source of fulfilment. Staff used these attitudes as a coping strategy in some very stressful situations; fatalism thus allowed them an opportunity to express their frustrations with their work and enabled them to find an outlet for their exasperation at the continued pressure of their

role. Moreover, managers explained that there was still considerable flexibility within housing associations that would not be available to a local authority member of staff.

Our office...is very mellow. My manager is very laid back and does not interfere....I would not want to go back to the local authority as it is so constricted. My view is that if it does not work let's change it; I don't feel you have that choice in a local authority... We have a huge manual of policies and procedures. These may work in the central office but our approach is the best fit. You have to toe the party line, but we have considerable flexibility in what we do. Other people [in the central office] can't believe how different it is here (Interview no.48, neighbourhood officer, 14/12/03).

Such comments illustrated that whilst housing associations were being forced to limit their discretion, there remained a perception that the sector retained an autonomy that was distinct from local authority practices. Staff were therefore still able to interpret policies and procedures in their own way and for their own local circumstances. The impression of constraint therefore paradoxically allowed staff in local offices to take a more relaxed attitude towards their work.

7.5 Conclusion

Housing associations before 1988 had been accustomed to a high degree of latitude in terms of management, development, rents and allocations. As they became incorporated into mainstream housing service delivery, they found themselves increasingly involved in a rigorous centrally imposed system of target-setting and inspection. Thus, by 2003 the sector had to accustom itself to an environment where decisions about who to house, the style of management, what kind of property to develop in which localities and rent levels to charge had all been largely taken out of their hands. Increasingly bound by performance criteria, dependent on local and central government agencies as well as other voluntary sector partners, their level of autonomy was significantly circumscribed. This new role marked a qualitatively distinctive period in their history. The perception that associations were no longer in control of their own destinies and had become subject to the

arbitrary preferences of central and local government bureaucracies led many to question the possibility of associations being able to shape their future. Housing associations were increasingly characterised by ever-greater dependency upon local authorities and central government. Although the relationship was meant to be one based upon partnership, more often than not it could be characterised as a principal-agent relationship with government agencies firmly in the driving seat.

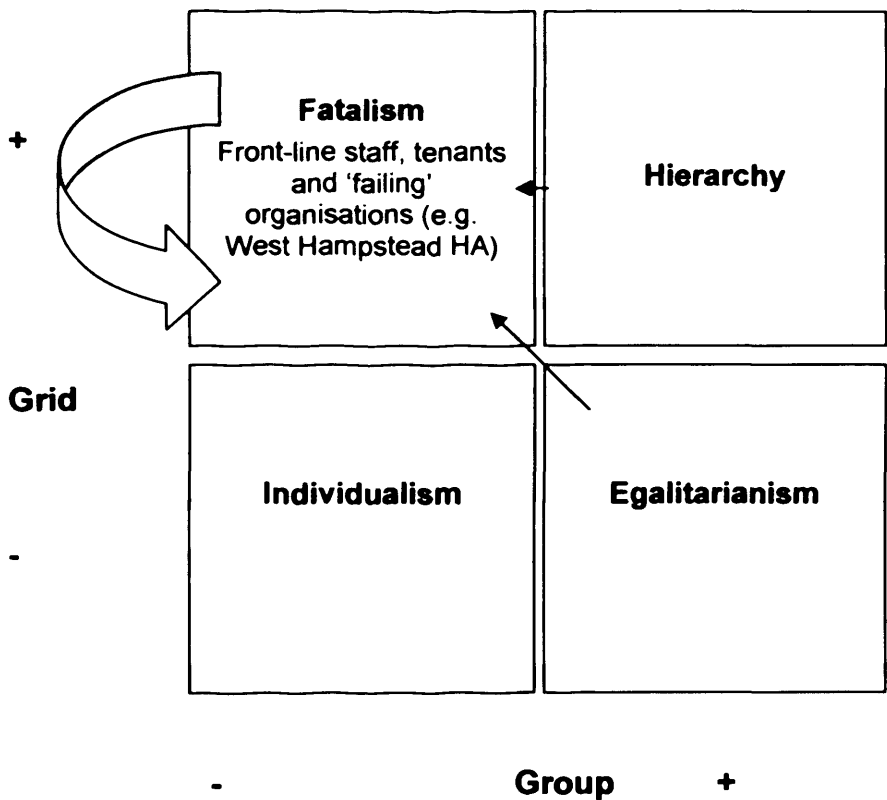
Isolated from the condemnation attached to large bureaucratic organisations, housing associations had managed to avoid the coruscating criticisms attached to local authority housing management. However, since 1988 the pressures facing housing associations have been magnified. Although design features of housing association developments were far superior to those encountered in the era of mass, high-rise, system-built estates, the geographical concentration of multiple deprivation has imposed equally severe management challenges. There is little social diversity amongst new housing association residents as access to social rented housing is limited to those in the greatest need and the sense that organisations were losing autonomy, combined with the perception that they had become detached from their core objectives exacerbated trends towards fatalism. One of the main reasons for the persistence of a fatalist cultural ethos was a perception that housing managers faced a task that was becoming increasingly unsustainable as social housing was progressively identified as a receptacle for individuals experiencing critical problems at the same time as they lacked alternative choices. Residents of social housing developments could be seen as a latent interest group, reflecting the impact of social atomisation; there was considerable social homogeneity amongst residents but no collective identity.

Government policy and organisational pressures combined with some of the inherent features of the housing management task created a spiralling effect. A path dependency was created in the 1980s and 1990s linked to tighter regulation, a changing client group and increasingly problematic management challenges. These pressures exacerbated tendencies towards futility,

authoritarianism and a reduced standard of service delivery as low expectations took a hold.

Fatalism has functioned as a self-fulfilling prophecy, which has exerted a cumulative impact. Evidence from new housing association schemes points to indications that these fatalistic trends are increasingly likely to flourish. Figure 7.2 illustrates how a fatalist cultural bias can manifest itself even within successful housing associations.

Figure 7.2: Organisational pressures towards fatalism



A fatalist cultural bias is both the most neglected and arguably the most significant outcome of the 1988 Housing Act. The management of a residual, marginal tenure, including increasing numbers of vulnerable residents imposed severe management problems that have been largely ignored in much of the normative commentary on management change. Housing managers have adopted increasingly coercive strategies in order to cope with

the demands of managing a client group with a low socio-economic profile and increasing levels of anti-social behaviour. At the same time, organisations are strongly encouraged to generate a sense of resident empowerment, partnership and capacity building. The tensions included within these divergent strategies have allowed fatalism to gain a much stronger footing than hitherto, noticeably in the attitudes of those working in front-line occupations as well as those who ostensibly benefit from the new initiatives.

For front-line housing association staff, strategies were both defensive and hierarchical, implying a lower level of tolerance of tenant behaviour and a relationship characterised by mutual distrust. Their task now consisted of managing decline at the same time as they were expected to accept a much broader range of duties and responsibilities. Staff were expected to work harder without additional remuneration and were increasingly subject to monitoring and surveillance. This process of residualisation had strongly affected the motivation and commitment of front-line staff, indicating that a traditional reliance on goodwill had been lost.

At the same time, fatalism can also be seen as offering a positive rationalisation making sense of the bewildering complexity of the current environment. Its ability to stimulate critical debate and to generate a sceptical attitude towards management change can help to challenge over-optimistic assumptions and to diminish unrealistic expectations. Its function as a 'Greek chorus' (Hood, 2000, p.150) within public management, warning of potential dangers could be used to positive effect. In this sense fatalism may not be a wholly undesirable consequence of management change. It can be viewed as rational response to a bewildering range of management initiatives. The importance of fatalism is not merely to address a general set of complaints, but rather to indicate a strong sense that housing associations were entering a new era for which they were generally unprepared. The recognition of a fatalist cultural bias represents an important insight into the way in which organisational change had unforeseen consequences.

Chapter 8

CONCLUSION

8.1 Introduction

Described as 'the biggest example of a shift of public service provision to the voluntary sector' (Paxton and Pearce, 2005, p.ix) the reforms to the housing association sector initiated in the Housing Act 1988 have led to an acceptance that housing associations have become significant players in public policy and a tendency to see the sector as a template for welfare state modernisation. The ability to lever significant levels of private finance, their local roots, their responsiveness to change, their managerial innovation, their capacity to offer consumer choice and ability to serve government objectives have all served to present housing associations in a favourable light as an exemplar of organisational reform. Housing associations have come to be seen as one of the outstanding successes of the 1980s; research conducted by the Joseph Rowntree Foundation concluded that 'few tenants or staff would wish to reverse' the move from local authority to the housing association sector (Paxton and Pearce, 2005, p.ix).

This thesis has called into question these highly optimistic views of the sector, showing that existing knowledge about housing associations was at best rudimentary. The idealistic perspective of the sector was based on assumptions and generalisations unsupported by either empirical evidence, theoretical support or any systematic study of the behaviour of the variety of historical types that exist. The nature of organisations within the sector, its 'DNA', has therefore remained unclear.

Existing literature on housing management and housing associations has failed to provide adequate analytical tools to explain the various changes affecting housing associations or to capture the front-line experience of those working within them. The failure of a fundamentally non-conceptual discussion

to draw upon wider social science disciplines has served to limit understanding of the sector.

Whilst there has been increased attention to the sector since the 1990s, chapter two indicated that studies can be classified under four major themes, each of which has considerable limitations. Firstly, historical studies have largely ignored the possibility of applying classifications or organisational typologies and therefore have been unable to deal with complexity of organisational change. There has been no systematic attempt to categorise the variety of organisational forms and the tendency to rely on a thesis of discontinuous change has prevented an opportunity to identify patterns of behaviour.

Secondly, managerialist explanations have rested on an assumption that housing policy has led to a shift to low grid organisations which have primarily taken individualist directions. Studies conducted according to new public management (NPM) principles assume a linear process of progressive change. The difficulty is that whilst explanations reflect the objectives of the Housing Act 1988, they fail to explain the practical impact, including significant unintended consequences of housing policy. Managerialist explanations therefore represent both outdated and idealised models of the housing association sector.

Network models represent a third attempt to come to terms with the greater complexity of post-NPM fragmentation in the sector, but the emphasis on relationships between organisations fails to provide any kind of classification or organisational typologies. Moreover, it represents an unduly optimistic view of the sector; assuming that housing policy can be explained in terms of decreasing central control, whereas as the study shows, in many cases the opposite is the case.

Institutionalist path dependency models provide a final model of historical change, illustrating the extent of continuity (or sedimentation) that exists within specific organisational forms. However, the neglect of a cultural dimension

represents a failure to analyse organisations in sufficient depth internally. Hence, they were unable to provide the qualitative material that can explain organisational culture *from the inside*. Moreover, the above accounts fail to provide models that can provide classifications of organisational difference.

In contrast to these limited accounts of the sector, the present thesis provides a more detailed account of organisational change by utilising cultural theory. The benefit of this approach is that it manages to explain the different and contradictory trajectories of change affecting the sector through a study of a variety of organisation types, providing typologies of organisational forms. This thesis provides both historical and cultural foundations for an understanding of organisational change by looking at London housing associations as a whole and in providing categorisations of organisational behaviour. In doing so, it aims to put them on the map of housing policy in a more systematic way, rather than simply asserting the complexity, diversity and 'discontinuity' of the sector. The study has shown that despite widespread positive depictions of the reform programme, organisational change has affected housing associations differentially and with a number of unintended consequences.

In particular the categorisation of housing associations through the lens of cultural theory has enabled the organisational DNA of the sector to be identified through four main classifications, allowing the sedimentation of organisational values to be excavated across a period spanning more than twenty years.

8.2 The injection of individualism

The historical discussion in chapter three illustrated that the sector's philanthropic roots was founded upon individualistic assumptions. The influence of committed and benevolent individuals had a strong effect upon shaping the values and core cultures of many important organisations, such as *Peabody*, *Guinness* and *William Sutton Trust*.

An ideology that emphasised the success of these organisations (whilst ignoring criticism of their paternalism) allowed central government in the 1980s to introduce a regime that drew upon these individualistic origins and allowed a 're-privatisation' of the sector to emerge from the 1988 Act. A programme that combined principles of 'fragmentation, incentivisation and competition' reflected a classic new public management (NPM) approach; the primary objectives of the Act were to develop a more pluralistic approach to housing provision, to introduce a performance management system to improve service delivery and to enable housing associations to compete for development opportunities. Local authorities were to be marginalised by the adoption of a strategic, enabling role and housing associations were to be allowed to develop without regulatory constraints. This policy meant that rents were deregulated, the development process was to be simplified and associations were to be allowed access to private sector financial markets outside of the restrictions of the public sector borrowing requirement. This re-privatisation marked a reversion to the individualistic and quasi-commercial origins of the Charitable Trusts.

A reform process initially intended to move organisations in both lower grid and lower group directions embodied archetypal features of an individualist approach to public management; introducing an unprecedented level of competition and significant levels of private finance whilst at the same time severely reducing levels of public subsidy. It also introduced performance incentives in order to motivate managers to act in more innovative and entrepreneurial ways, paying much greater attention to value for money and effectiveness of service provision. As municipal bureaucracies were reduced to a strategic, enabling role a much wider group of voluntary sector providers adopted responsibility for housing provision.

The success in attracting private finance, in managing risk and in demonstrating entrepreneurial and innovative characteristics was seen as justification of the decision of the Thatcher administrations to use housing associations as the major provider of new social housing, in opposition to a widely discredited local authority sector (despite a lack of empirical evidence

to show that housing associations were in any ways more effective at housing management).

The immediate post 1988 environment could be presented as one of rampant individualism, where housing associations were eager to take advantage of development opportunities and where an ideologically sympathetic government allowed them the freedom to develop wherever they chose. The sector was encouraged to increase rents to market levels and housing associations were seen as firmly private sector institutions. They were viewed as an ideal alternative to local authorities who carried the blame for much of the problems of housing management.

However, the implementation of the legislation carried a number of unintended consequences: a 'heroic' managerialist clique emerged, which was able to gain considerable personal benefit from the high salaries on offer; the sector experienced unprecedented levels of conflict and cooperation was increasingly rare as associations lost motivation to see themselves as part of a collective 'movement'. The response to change illustrated the way in which this individualistic culture adopted a life of its own. It unleashed powerful propensities towards the use of private finance, towards managing risk and a culture of entrepreneurialism; these individualist values would become permanent features of the housing association landscape.

Housing associations were victims of their own success in the immediate aftermath of the 1988 Act. Individualism reached its limits, resulting in a cash crisis for the Housing Corporation in the early 1990s, emanating from an eagerness amongst senior managers to take advantage of a subsidy regime that rewarded risk-taking. At the same time a number of high profile cases of fraud and investment failure added to concern about the unfettered competition of the post 1988 environment. The subsequent development boom was widely regarded as damaging to the long-term sustainability of the sector.

The main response to the reform programme in the early 1990s was that central government intervention was needed as individualism reached its limit. Central government was forced to restrain both spending and borrowing by housing associations; the Housing Corporation initially failed to anticipate the extent of subsidy required to fund new developments, the levels of risk were underestimated by associations and the introduction of private finance required substantial rent increases which reinforced problems of affordability and benefit dependency for residents. In some extreme cases housing associations experienced organisational collapse and in others issues of probity surfaced. This response to the reform programme was therefore indicative of classic individualist market failure and the experiment of delivering public sector objectives through unfettered private sector agencies was considerably restrained by the mid 1990s.

Despite these setbacks, a culture of individualism continued to be embraced by senior managers. It offered welcome opportunities to demonstrate entrepreneurial skills; managers were keen to present themselves as heroic figures, and they were given responsibility for shaping organisational vision, they were offered high salaries and given considerable opportunities for innovation. At the same time, the lesson for central government was that unrestrained individualism was not feasible as an organisational strategy. Institutions could not be considered as the main vehicles of government policy unless they were bound by substantial regulatory constraints.

8.3 The legacy of egalitarianism

Egalitarianism represents the second major cultural value associated with the housing association sector. In particular it can be seen to permeate three major waves of housing association development in the 1960s, 1970s and later in the 1990s.

First, the emergence of the 'Shelter' associations such as *Notting Hill*, *Circle 33* and *Shepherds Bush* reflected a dissatisfaction not only with conditions in the private rented sector (associated with 'Rachmanism' in the 1960s) but

also was closely connected with exasperation at both the contribution of existing voluntary agencies and with the 'coercive' slum clearance and comprehensive redevelopment programmes carried out by local authorities. The 'new wave' of voluntary organisations has commonly been seen as the heart of the housing association sector, providing a starting-point in the career of many key individuals, committed to more community-based approaches to meeting housing need.

Despite the success of these rehabilitation programmes, increasing frustration was expressed at the exclusion of minority ethnic communities from the benefits of mainly white-dominated, 'mainstream' housing associations. This anger led to the emergence of a second wave of egalitarian organisations in the 1970s and early 1980s, which became categorised as part of a 'black and minority ethnic sector' (BME). These included organisations such as *Ujima*, *Presentation* and *ASRA*. In addition other specialist organisations emerged (such as *Habinteg* or *Look Ahead*) catering for individuals with physical and mental health difficulties (particularly important given the problems associated with 'community care' policies in the 1980). The success of these organisations was assisted by financial support from the Housing Corporation.

However, as discussed above egalitarianism came under severe pressure from the competitive culture following the 1988 Act. The market pressures of the following years resulted in a number of associations with strong egalitarian foundations embracing a 'brave new world' of risk, competition and private finance which saw widespread concerns about a subsequent loss of local identity. This conflict between the supporters of egalitarian principles and the more individualistic 'change-makers' represented the heart of many intra-organisational disputes in the 1990s.

An egalitarian ethos comprised the founding vision for many housing associations in London, in particular amongst those associations who have subsequently dominated funding through the Housing Corporation Approved Development Programme. These egalitarian values have developed over time through a process of sedimentation, whereby attitudes and norms have

permeated certain kinds of organisations, particularly those comprising a black and minority ethnic (BME) sector as well as at committee level within other mainstream associations. Organisational history continued to guide policy and practice and the sector was strongly influenced by these historical traditions and organisational biographies.

The data showed that the influence of a black and minority ethnic housing movement continued to provide the strongest egalitarian conscience for the sector. Housing association management committees were the major conduits for this egalitarian bias, compelling organisations to remain within geographical locations whilst senior managers attempted to push these boundaries. The consequence was an increased level of intra-organisational conflict.

Nevertheless, the problems of individualism identified above, allowed a re-emergence of an egalitarian ethos in the late 1990s, manifested in a desire to return to historical guiding visions and principles. This incentive to move towards egalitarianism emerged with the election of a Blair administration committed to tackling social exclusion and providing a 'joined-up approach to joined-up problems'. This agenda presented considerable opportunities to reinvigorate a sector, with an emphasis upon resident activism and tenant empowerment. An agenda of regeneration and neighbourhood renewal reflected community-based approaches which placed housing associations at the centre of public policy. As shown in chapter six, many contemporary organisations, based in London attempted to take forward this agenda and extend their role as agents of social change.

At the same time, the other side of egalitarianism was a high level of sectarianism within and between organisations, a sense that associations were creating false expectations, for example in relation to resident empowerment and at an extreme, a propensity towards self-destruction. Egalitarian organisations were seen as unsustainable in an environment of growth and in extreme cases, resorted to tearing themselves apart, ultimately

coming under supervision from the Housing Corporation or being taken over by other large associations.

Egalitarianism can therefore be viewed as the culture that was most susceptible to organisational failure. Housing Corporation performance assessments commonly referred to problems of factionalism and sectarian cultures. A number of black and minority ethnic organisations found that subsidy was withheld and that the Housing Corporation was moved to intervene in the running of their operations due to failures that emphasised the difficulty of sustaining an egalitarian culture. The only conclusion that could be drawn was that egalitarian forms of organisation were not feasible within an environment that relied upon growth and adherence to government policy goals. Egalitarianism in many respects represents the lost culture of the housing association sector. It is the culture that is most strongly valued by many staff and Board members, yet it is also the ethos that has suffered the most attrition since the Act due to its difficulty in coping with change and with attendant organisational conflicts.

8.4 Hierarchy on unstable foundations

In research terms, hierarchy has been a neglected feature of a sector that prided itself upon hostility to bureaucracy and external control. However, the discussion in chapter two illustrated how a trend towards hierarchicalism had been evident since the 1974 Housing Act, which introduced central government control (through the Housing Corporation) over the sector. This body began with a funding role and became increasingly concerned with the monitoring of organisational performance; presenting a challenge to organisations which historically viewed themselves as largely autonomous and independent.

Paradoxically, these hierarchical features were magnified by the 1988 Housing Act, which while modelled on individualistic principles in effect led to a much more prescriptive environment for the sector. Chapter six illustrated

that hierarchalism was manifested in a number of ways. First, through financial control as the Corporation attempted to rein back the demands on the public purse and to rectify social concerns about affordability as associations chose to balance financial shortfalls through rent increases.

Secondly, hierarchy was evident through a tendency to growth and organisational mergers, which became apparent in the landscape of housing associations. These factors were strong drivers towards increasing organisational size, gaining higher status and influence in policy decisions. In addition, the new forms of housing associations, emanating from stock transfers, introduced new organisational forms, with previously council-owned estates taken into housing association (or registered social landlord) ownership. These organisations were larger than previous community-based associations, needing new estate management skills and requiring more hierarchical systems and procedures than in the past

Third, Housing Corporation regulation and monitoring became increasingly stringent culminating in 2000 when housing associations were placed under the same 'Best Value' performance management system as local authorities. This initiative placed them squarely within a central regulatory system and the later role of the Audit Commission in monitoring performance further served to institutionalise housing associations as public sector bodies.

The outcome of these changes was a growing elitism within the sector, indicated by the increasing importance of the 'G15' associations in the London area, dominating development funding and the allocation of resources. At the same time the implications for housing managers were that organisations faced a loss of discretion in their day-to-day activities and task, specialisation rather than the traditional generic approach to housing management.

The institutional design of housing associations was modelled on avoiding the limitations of public sector bureaucracies and (as seen) it was for this reason that they were selected as the primary vehicle for government policy. However, over a relatively short period of time housing associations were

subjected to exponential growth, as well as being offered generous levels of (public and private) funding. Thus, organisations designed as small-scale, locally based institutions have found themselves within a period of less than twenty years, thrust into a world of big business and high risk operations, covering a large number of localities.

Hierarchy was therefore one of the main unintended consequences of the 1988 Act. It emanated partly from the excesses of individualism mentioned above, with central government keen to restrain the actions of senior managers and to gain more control over housing policy outcomes. Government policy under both Conservative and Labour administrations had been concerned to gain increased leverage over the performance, development process, rent levels and the audit and inspection of the sector. The way in which the sector has responded to the opportunities and threats offered has been entirely rational. It has focused on the benefits of economies of scale with considerable organisational restructuring and merger arrangements. The result has been a concentration of influence amongst a small number of elite organisations. A further unintended consequence of the Housing Act 1988 has been a drive towards codification, standardisation and uniformity. These tendencies were exacerbated by Housing Corporation moves towards 'partnering' arrangements which implied that certain organisations had a favoured status in terms of development funding and relationships with local authorities. Inevitably the preferred organisations were the large associations with substantial development and management experience. These hierarchical features exerted a spiralling effect whereby the larger organisations became more complex, more specialised and bound by increasingly rigid procedures.

Moreover, hierarchalism not only operated at an organisational level; it had a significant impact on management practice with fundamental changes to housing management, where traditional generic functions have been replaced by more specialist roles for front-line staff. These hierarchical pressures

further served to reinforce each other, resulting in a concentration of power and influence amongst a small number of associations and less discretion and autonomy for staff working in these organisations.

The growth of hierarchy has created particular difficulties for housing associations. The traditional vehicles of housing policy, local authorities, were designed to function as welfare bureaucracies; departmentalism, standardisation and uniformity were widely accepted as standard procedure. In contrast, housing associations traditionally functioned on a much more informal basis; this informality was their central strength and attraction for both staff and residents. As they replaced local authorities as new welfare bureaucracies, yet lacked inbuilt accountability mechanisms of the elected process, their role became much more problematic. Whilst their legitimacy has been called into question, commentary to date has neglected to mention this increased bureaucracy as an inherent difficulty. In conclusion their hierarchical structures rest on unstable foundations.

8.5 A fatalist sector?

Housing management has long suffered from a low status; historically it was seen as 'women's work', it has been widely regarded as a common-sense occupation requiring limited expertise and increasingly it has functioned as a service for the poor. It has therefore struggled to be taken seriously either as a professional occupation or as a suitable subject for detailed academic study. Despite efforts on the part of professional bodies to change its prominence, housing associations have not managed to fundamentally raise the status of housing management work. There is therefore an inherent propensity towards fatalism within housing management practice.

Chapter seven illustrated how, in spite of the widespread optimistic view of the success of housing associations, the 1988 Act has helped to foster a fatalist culture with deep roots amongst front-line staff and residents, creating a set of relationships largely ignored to date.

The extensive adoption of a fatalist world-view amongst housing association staff emanates from a number of sources. First, changes to the client group throughout the 1980s have been linked to a process of 'residualisation', whereby access to social housing became limited to groups experiencing widespread deprivation. As housing associations became the sole providers of new social housing after 1988 they inherited allocation policies that restricted offers of accommodation to 'priority' need groups as defined by the 1977 Housing (Homeless Persons) Act. Social housing therefore came to occupy a residual position as an 'ambulance service for the poor' (Harloe, 1978).

Second, central government regulation (discussed above) combined with nomination agreements with local government agencies meant that housing associations experienced decreasing levels of autonomy in terms of who they were able to accommodate. This loss of discretion meant that their management control was significantly circumscribed, in spite of the rhetoric of a more entrepreneurial and innovative sector, offered under the post-88 'regime'.

A third contributory factor was that the management task became increasingly associated with controlling anti-social behaviour. High child densities on new housing estates, complex multi-landlord consortium arrangements and a lack of accountability meant that the sector faced new challenges, for which they had little experience (for example in estate management as opposed to managing street properties).

The cumulative impact of these drivers of change was a high expression of futility in the ability of front-line staff to control their working environment as they perceived they had no discretion in who to accept whilst new applicants presented an unprecedented challenge. Second, there was evidence of a worsening relationship between staff and residents as the task became a function of social control rather than social welfare. Finally, the resident experience worsened as housing associations struggled with the demands of managing multi-landlord estates and the consequences of managing

ambitious development programmes. These features offered a stark contrast to the highly optimistic views of the sector offered by a majority of practitioner commentators.

The significance of fatalism within housing associations was that (as with hierarchy) it exerted a reinforcing effect. Thus as housing staff perceived their work to be low status and repetitive this increased the dissatisfaction with their jobs and led to higher levels of staff turnover. It also exerted a detrimental impact upon service provision. Furthermore, as relationships between staff and residents deteriorated, mutual suspicion was reinforced and performance worsened; central government was therefore compelled to provide stricter regulation which further affected staff morale.

The identification of a strong fatalist culture within housing associations reflects what other writers (in a broader context) have argued about New Labour welfare policy. Thus, Stoker's (2004) discussion of New Labour's modernisation programme illustrates a reform programme that is deliberately founded upon fatalist principles, 'to create a dynamic for change by creating instability but also space for innovation' (p.69). Policy is therefore incoherent 'with reason and for a purpose' (*ibid.*) Hence, whilst there are rewards available to those who win competitive bids, the ground rules are unclear and deliberately vague, creating the illusion that all will benefit and encouraging others to bid for funding. Such views use Hood's (2000) notion of 'contrived randomness' to depict government policy, based on the principle of a lottery. Thus, policy is based on the deliberate cultivation of low-trust relationships with a low likelihood of cooperation and deliberate uncertainty (Stoker, 2002, p.421).

Housing associations operate in a complex, changing and competing set of networks where there is considerable uncertainty and confusion and examples of housing association consortium schemes provide evidence of increasing social tension and management confusion. An environment characterised by deliberate unpredictability with cross-cutting tensions of audit, inspection and review allows fatalism to flourish. These difficulties are

especially relevant to housing associations which are significantly affected by their ambiguous situation within both public and private sectors.

The attention devoted by central Government to strategies since 1997 to combat 'social exclusion' (SEU, 1998) implies that fatalism is acknowledged as a core social problem. The experience of residents within social housing, at a period when there is considerable debate about the residualisation of the social rented sector, provides grounds for breeding low group identities through social atomisation and high grid environments where their social interaction is highly regulated; a classic fatalist cultural bias.

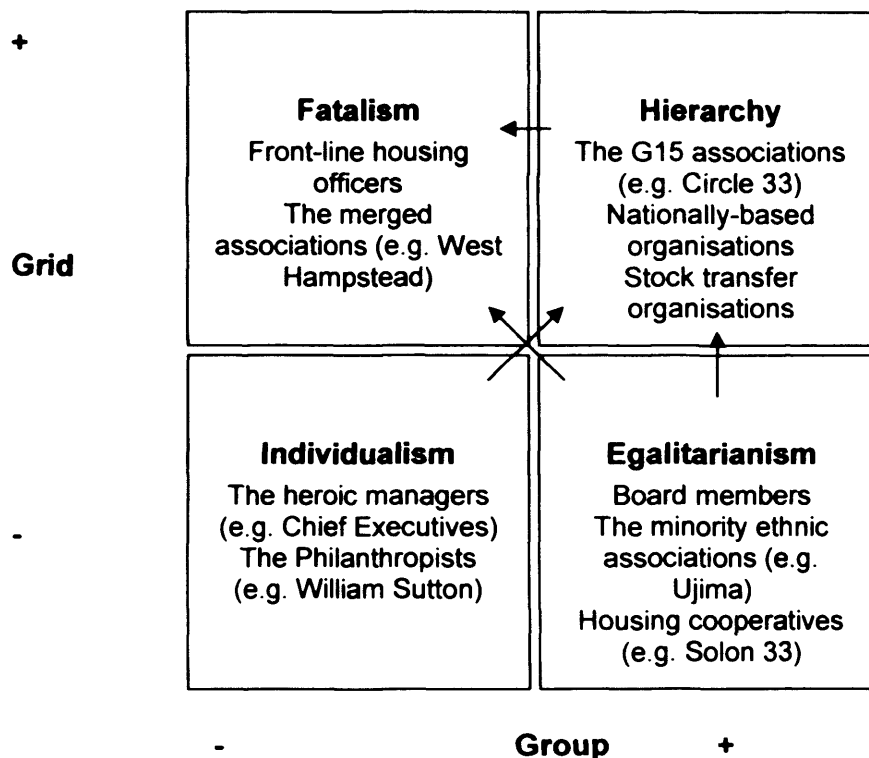
Nevertheless, whilst, fatalism may be represented as mainly negative and obstructive, it may also exert a positive impact as a force, allowing the release of latent frustrations. Fatalism could allow staff to express their dissatisfaction and tackle the challenges of the contemporary housing management task. Thus, the function of a fatalist ethos as a 'Greek chorus', warning against unrealistic expectation and countering over-optimistic prognoses can be a rational and positive response to a hostile environment. Fatalism is a neglected but important feature of housing management and it can point to two alternative futures for practice. On the one hand it may act as a Greek chorus, offering a judicious response to a bewildering level of management change and helping to counter some overstated claims made about the benefits of management reform. On the other hand it may be a more negative force, engendering increased levels of hostility and suspicion; if unnoticed fatalism will get progressively worse, in a spiral of organisational decline.

8.6 The broader context

This study has illustrated that the application of cultural theory to the housing association sector offers a level of understanding that other theories have failed to contribute, in particular the recognition of a fatalist dimension to social life. It therefore validates Hood's (2000) suggestion that third sector organisations provide potentially rich soil (p.151) for the development of fatalist attitudes as they comprise a strong element of uncertainty, complexity

and confusion. Within a broader context, this thesis joins other writers (such as Hood and Stoker) who have begun to draw upon cultural theory to illustrate aspects of contemporary local governance. Figure 8.1 illustrates the tendencies since 1988 to move towards 'higher grid' organisational forms.

Figure 8.1: The move to a high-grid sector

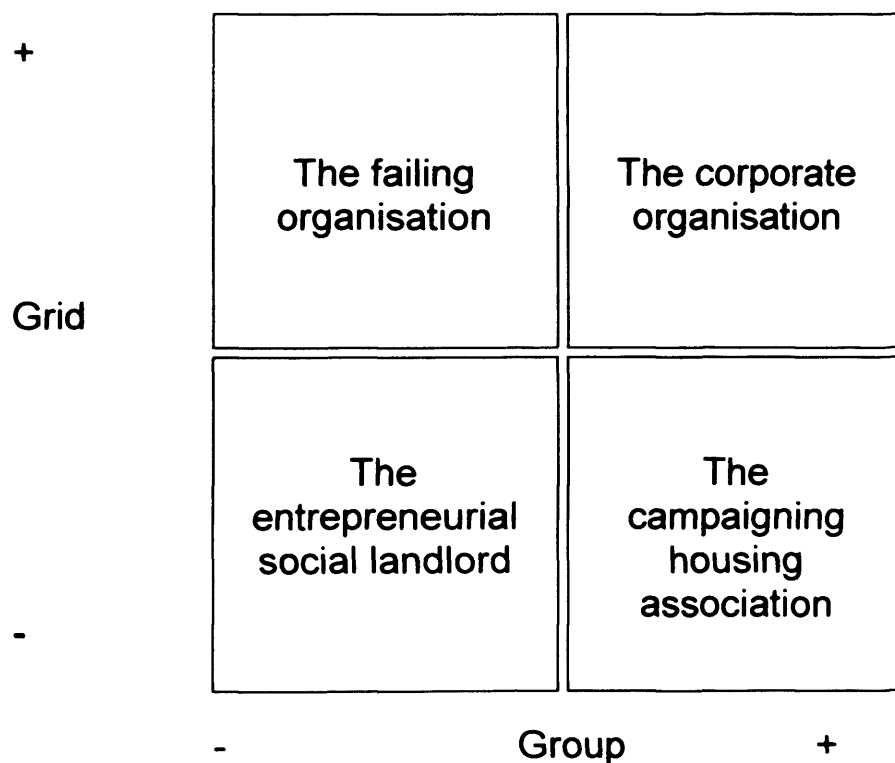


The early cultural theorists predicted a 'microchange' towards fatalism (see Thompson *et. al.*, 1990). They envisaged in the early 1990s that 'the push towards privatisation, we predict will have not only the intended effect of strengthening individualism but also the unintended consequence of increasing fatalism' (p.79). Whilst such predictions have been fulfilled in part, they have neglected the extent to which public management reforms have also resulted in increased levels of hierarchy; that is the opposite intention of the housing reform programme.

The widely accepted notion that housing associations have experienced outstanding success neglects the practical experience of working within the

sector. The data provided in the present study illustrated that whilst the response to change has been highly differentiated, there are clear indications the housing associations have adopted high-grid organisational forms, which pose novel challenges for the sector. These challenges need to be acknowledged if housing associations are to assume an effective leading role in welfare state modernisation, as they replace locally elected municipal bodies. Whatever the future of the sector holds, the present study shows in general terms that 'euphoric' views of housing associations are largely mistaken. Thus, network theorists emphasise the positive collective partnership arrangements, stressing how egalitarianism is returning, whilst underplaying the hierarchical remnants in policy. Managerialist writers use NPM prescriptions but overestimate the extent of individualism and underplay both hierarchy and fatalism. Housing associations as agents of public policy have four main options as illustrated in figure 8.2.

Figure 8.2: The different options for the social rented sector:



The present study indicates that the main organisational shift since has been in a higher grid direction towards either a more corporate sector or to

organisational failure. However, cultural theorists argue that no one specific cultural bias is likely to endure in the long term; a finding which is also borne out by the research findings. The study indicated that individualism reached its apotheosis in the mid 1990s and had to be restrained by government intervention. Egalitarianism was largely unsustainable in an expanding sector which was progressively drawn into acting as a replacement for public sector institutions. The spiralling effects of hierarchy and fatalism raise particular challenges, yet they also indicate that these higher-grid cultural biases are approaching their own limits. The main implication for policy is that the spiralling effects of hierarchy and fatalism are reaching a point of disequilibrium and require rebalancing; in particular housing associations will need further injections of egalitarianism if they are to avoid organisational failure.

Bibliography

- Adam Smith Institute (1983) *Omega Report: Local Government Policy* (London: Adam Smith Institute).
- Aldridge, N. (2005) *Communities in Control: The New Third Sector Agenda for Public Service Reform* (London: the Social Market Foundation).
- Armstrong, H. (1999) 'The key themes of democratic renewal', *Local Government Studies*, vol. 25, no. 4, pp.19-25.
- Audit Commission (1986) *Managing the Crisis in Council Housing* (London: HMSO).
- Audit Commission (1989) *Housing the Homeless: the Local Authority Role* (London: HMSO).
- Audit Commission (2001) *Group Dynamics: Group Structures and Registered Social Landlords* (London: Audit Commission).
- Back, G. and Hamnett, C. (1985) 'State housing policy formation and the changing role of housing associations in Britain', *Policy and Politics*, vol. 13, no. 4, pp.393-411.
- Balchin, P. (1995) (3rd edn.) *Housing Policy: an Introduction* (London: Routledge).
- Balchin, P. and Rhoden, M. (2002) (4th edn.) *Housing Policy: an Introduction* (London: Routledge).
- Barker, K. (2003) *Review of Housing Supply: Securing our Future Housing Needs. Interim Report – Analysis* (Norwich: The Stationery Office).
- Bartlett, W. and Le Grand, J. (1993) 'The theory of quasi-markets' in J. Le Grand and W. Bartlett (eds.) *Quasi-Markets and Social Policy* (London: Macmillan) p. 13-34.
- Bartlett, W., Le Grand, J. and Roberts, J. (eds.) (1998) *A Revolution in Social Policy: Lessons from the Development of Quasi-Markets in the 1990s* (Bristol: the Policy Press).
- Baumgartner, F. and Jones, B. (1993) *Agendas and Instability in American Politics* (Chicago: University of Chicago Press).
- Beetham, D. (1996) *Bureaucracy* (Milton Keynes: Open University Press).

- Best, R. (1984) 'Fifty years of housing associations. How many more?' *Housing Review*, vol. 33, no. 5, September-October, pp.182-183.
- Best, R. (1991) 'Housing associations, 1890-1990' in S. Lowe and D. Hughes (eds.) *A New Century of Social Housing* (Leicester: Leicester University Press) pp.142-156.
- Best, R. (1997) 'Housing associations: the sustainable solution' in P. Williams, (ed.) *Directions in Housing Policy: Towards Sustainable Housing Policies for the UK* (London: Paul Chapman Publishing) pp. 103-119.
- Boyne, G. (1997) 'Comparing the performance of local authorities: an evaluation of the Audit Commission indicators', *Local Government Studies*, vol. 23, no. 4, pp.17-43.
- Boyne, G., Farrell, C., Law, J., Powell, M. and Walker, R. (eds.) (2003) *Evaluating Public Management Reforms: Principles and Practice* (Buckingham: Oxford University Press).
- Bramley, G. (1993) 'The enabling role for local authorities: a preliminary evaluation', in P. Malpass and R. Means (eds.) *Implementing Housing Policy* (Buckingham: Open University Press) pp.127-149.
- Bramley, G. (1994) 'An affordability crisis in British housing: dimensions, causes and policy impacts', *Housing Studies*, vol. 8, no. 2, pp.128-47.
- Bramley, G., Munro, M. and Pawson, H. (2004) *Key Issues in Housing Policies and Markets in the 21st Century* (London: Macmillan).
- Brownhill, S. and Sharp, C. (1992) 'London's housing crisis', in A. Thornley (ed.) *The Crisis of London* (London: Routledge) pp.10-24.
- Buchanan, J. and Tullock, G. (1962) *The Calculus of Consent* (Ann Arbor, Michigan: University of Michigan Press).
- Burns, D. Hambleton, R. and Hoggett, P. (1994) *The Politics of Decentralisation: Revitalising Local Democracy* (London: Macmillan).
- Burns, T. and Stalker, G. (1961) *The Management of Innovation* (London: Tavistock).
- Carter, S. (1999) *What Works: the Tenants' Compact and Successful Participation* (London: Tenants and Residents Organisations of England /London Housing Unit).

- Chai, S. (1997) 'Rational choice and culture: clashing perspectives or complementary modes of analysis?' in R. Ellis and M. Thompson (eds.) *Culture Matters: Essays in Honour of Aaron Wildavsky* (Boulder, Co.: Westview Press) pp.45-56.
- Chai, S. and Wildavsky, A. (1994) 'Culture, rationality and violence' in D. Coyle and R. Ellis (eds.) *Politics, Policy and Culture: Applications of Cultural Theory* (Boulder, Co.: Westview Press) pp.159-174.
- Chaplin, R., Jones, M., Martin, S., Pryke, M., Royce, C., Saw, P., Whitehead, C. and Hong Yang, J. (1995) *Rents and Risks: Investing in Housing Associations* (York: Joseph Rowntree Foundation).
- Clapham, D. (1989) *Goodbye Council Housing?* (London: Unwin Hyman/The Fabian Series).
- Clapham, D. (1997) 'The social construction of housing management research', *Urban Studies*, vol. 34, nos. 5-6, pp.761-74.
- Clapham, D. and Kintrea, K. (1992) *Housing Cooperatives in Britain: Achievements and Prospects* (Harlow: Longman).
- Clapham, D., Kintrea, K., Malcolm, J., Parkes, H. and Scott, S. (1995) *A Baseline Study of Housing Management in Scotland* (Edinburgh: HMSO).
- Cm 1599 (1991) *The Citizens Charter: Raising the Standard* (London: HMSO).
- Cole, I. (2000) 'The changing role of housing associations' in Anderson, I. and Sim, D. (eds.) *Social Exclusion and Housing: Context and Challenges* (Coventry: Chartered Institute of Housing) pp.163-176.
- Cole, I. and Furbey, R. (1994) *The Eclipse of Council Housing* (London: Routledge).
- Cole, I., Gidley, G., Ritchie, C., Simpson, D. and Wishart, B. (1996) *Creating Communities or Welfare Housing? A Study of New Housing Association Developments in Yorkshire/Humberside* (Coventry: Chartered Institute of Housing/Joseph Rowntree Foundation).
- Commission for Racial Equality (CRE) (1984) *Race and Council Housing in Hackney: Report of a Formal Investigation* (London: CRE).
- Committee on Standards in Public Life (The Nolan Committee) (1995) *Local Public Spending Bodies: Issues and Questions* (London: HMSO).

- Committee on Standards in Public Life (The Nolan Committee) (1996) *Second Report: Local Public Spending Bodies* (London: HMSO).
- Community Development Project (1977) *Guilding the Ghetto* (London: HMSO).
- Cooper, C. and Hawtin, M. (eds.) (1998) *Housing, Community and Conflict: Understanding Resident Involvement* (London: Arena).
- Cope, H. (1999) (2nd edition) *Housing Associations: The Policy and Practice of Registered Social Landlords* (London: Macmillan).
- Coulson, A. (1998) (ed.) *Trust and Contracts: Relationships in Local Government, Health and Public Services* (Bristol: The Policy Press).
- Cowan, D. and Marsh, A. (2001) 'Analysing New Labour housing policy', in D. Cowan and A. Marsh (eds.) *Two Steps Forward: Housing Policy into the New Millennium* (Bristol: the Policy Press) pp.1-26.
- Coyle, D. (1994) 'This land is your land, this land is my land: cultural conflict in environmental and land-use regulation', in D. Coyle and R. Ellis (eds.) *Politics, Policy and Culture* (Boulder, Co.: Westview Press) pp.33-50.
- Coyle, D. (1997) 'A cultural theory of organisations' in R. Ellis and M. Thompson, *Culture Matters: Essays in Honour of Aaron Wildavsky* (Boulder, Co.: Westview Press) pp.59-78.
- Darley, G. (1990) *Octavia Hill: a Life* (London: Constable).
- Dataspring (2003) *Census Briefing Paper Three: Tenure Changes Between 1991 and 2002: The Importance of the RSL Sector* (University of Cambridge: Department of Land Economy).
- David, P. (1986) 'Understanding the necessity of qwerty: the necessity of history' in W. Parker (ed.) *Economic History and the Modern Economist* (London: Blackwell) pp.30-49.
- Davis, H. and Spencer, K. (1995) *Housing Associations and the Governance Debate* (Birmingham: University of Birmingham, School of Public Policy).
- Davis Smith, J., Rochester, C. and Hedley, R. (eds.) (1995) *An Introduction to the Voluntary Sector* (London: Routledge).
- Day, P. Henderson, D. and Klein, R. (1993) *Home Rules: Regulation and Accountability in Social Housing* (York: Joseph Rowntree Foundation).
- Day, P. and Klein, R. (1996) *The Regulation of Social Housing* (London:

- National Federation of Housing Associations).
- Dean, H. and Taylor-Gooby, P. (1992) *Dependency Culture: the Explosion of a Myth* (Hemel Hempstead: Harvester Wheatsheaf).
- Department of Environment, Transport and the Regions (DETR) (1998a) *Modernising Local Government: Improving Local Services Through Best Value* (London: DETR).
- Department of Environment, Transport and the Regions (DETR) (1998b) *Modern Local Government: In Touch with the People* (London: DETR).
- Department of Environment, Transport and the Regions/ Department of Social Security (DETR/DSS) (2000) *Quality and Choice: a Decent Home for All* (London: DETR/DSS).
- Department of Environment, Transport and the Regions (DETR) (2001) *Supporting People: Policy into Practice* (London: DETR).
- Di Maggio, P. and Powell, W. (1991a) 'Introduction', in W. Powell and P. Di Maggio (eds.) *The New Institutionalism in Organisational Analysis* (London: University of Chicago Press) pp.1-38.
- Di Maggio, P. and Powell, W. (1991b) 'The iron cage revisited: institutional isomorphism and collective rationality in organisational fields', in W. Powell and P. Di Maggio (eds.) *The New Institutionalism in Organisational Analysis* (London: University of Chicago Press) pp.63-82.
- Douglas, M. (1982) 'Cultural bias', in M. Douglas, *In the Active Voice* (London: Routledge) pp.183-254.
- Douglas, M. (1994) *Risk and Blame: Essays in Cultural Theory* (London: Routledge).
- Douglas, M. (1996) *Thought Styles: Essays on Good Taste* (London: Sage).
- Douglas, M. (1997) 'The depoliticisation of risk' in R. Ellis and M. Thompson, *Culture Matters: Essays in Honour of Aaron Wildavsky* (Boulder, Co.: Westview Press) pp.121-132.
- Douglas, M. and Wildavsky, A. (1983) *Risk and Culture: an Essay on the Selection of Technical and Environmental Dangers* (Berkeley: University of California Press).

- Dowding, K. (1991) *Rational Choice and Political Power* (Aldershot: Edward Elgar).
- Downs, A. (1967) *Inside Bureaucracy* (Boston: Little Brown and Company).
- Duffy, K. and Hutchinson, J. (1997) 'Urban policy and the turn to the community', *Town Planning Review*, 68, pp.347-362.
- Duncan, P. and Thomas, S. (2001) *Neighbourhood Management: a Good Practice Guide* (Coventry: Chartered Institute of Housing).
- Dunleavy, P. (1981) *The Politics of Mass Housing in Britain 1945-1975: a Study of Corporate Power and Professional Influence in the Welfare State* (Oxford: Clarendon Press).
- Dunleavy, P. (1986) 'Protest and quiescence in urban politics: a critique of pluralist and structuralist Marxist views' in A. Blowers, C. Brook, P. Dunleavy and L. McDowell (eds.) *Urban Change and Conflict: an Interdisciplinary Reader* (London: Harper and Row) pp.190-197.
- Dunleavy, P. (1991) *Democracy, Bureaucracy and Public Choice: Economic Explanations in Political Science* (Hemel Hempstead: Harvester Wheatsheaf).
- Dunleavy, P. and Hood, C. (1994) 'From old public administration to new public management', *Public Money and Management*, vol.14, no.3, July-September, pp.9-16.
- Durkheim (1951) *Suicide: a Study in Sociology* (Glencoe: Free Press).
- Dwelly, T. (ed.) (1999) *Community Investment: the Growing Role for Housing Associations* (York: Joseph Rowntree Foundation).
- Ellis, R. and Coyle, D. (1994) 'Introduction' in, D. Coyle and R. Ellis (eds.) *Politics, Policy and Culture: Applications of Cultural Theory* (Boulder, Co.: Westview Press) pp.1-14.
- Emsley, I. (1986) *The Development of Housing Associations with Special Reference to London, Including a Case Study of the London Borough of Hammersmith* (London: Garland Publishing).
- Ewart, A. (1995) *Much in Evidence: Selected Submissions to the Governance Inquiry* (London: National Federation of Housing Associations).
- Exworthy, M. (2000) *Working Relations between Chairs and Chief Executives in Registered Social Landlords: a Study for the Housing Corporation* (London: the Housing Corporation).

- Ferlie, E., Ashburner, L., Fitzgerald, L. and Pettigrew, A. (1996) *The New Public Management in Action* (Oxford: Oxford University Press).
- Fordham, G., Kemp, R. and Crowsley, P. (1997) *Going the Extra Mile: Implementing Housing Plus on Five London Housing Association Estates* (York: Joseph Rowntree Foundation).
- Forrest, R. (2000) 'What constitutes a "balanced" community' in I. Anderson and D. Sim (eds.) *Social Exclusion and Housing* (Coventry: Chartered Institute of Housing) pp.207-219.
- Forrest, R., and Murie, A. (1990) (2nd edn.) *Selling the Welfare State* (London: Routledge).
- Franklin, B. (1998) 'Constructing a service: context and discourse in housing management', *Housing Studies*, vol. 13, no. 2, pp.201-217.
- Franklin, B. (2000) 'Demands, expectations and responses: the shaping of housing management', *Housing Studies*, vol. 15, no. 6, pp.907-927.
- Franklin, B. and Clapham, D. (1997) 'The social construction of housing management', *Housing Studies*, vol. 12, no. 1, pp.7-26.
- Furbey, R., Reid, B. and Cole, I. (2001) 'Housing professionalism in the United Kingdom: the final curtain or a new age', *Housing Theory and Society*, 18, pp.36-49.
- Gamble, A. (2000) *Politics and Fate* (Cambridge: Polity Press).
- Garside, P. (2000) *The Conduct of Philanthropy* (London: Athlone Press).
- Garside, P. (2001) 'Reassessing voluntary action in English housing provision post 1900', *Journal of Social Policy*, vol. 30, no.4, pp.613-636.
- Glennerster, H., Power, A. and Travers, T. (1991) 'A new era for social policy: a new enlightenment or a new leviathan?', *Journal of Social Policy*, 20, 3, pp.389-414.
- Glennerster, H. (1998) 'Welfare with the lid on' in Glennerster, H. and Hills, J. (eds.) *The State of Welfare: the Economics of Social Spending* (2nd edn.) (Oxford: Oxford University Press) pp.308-333.
- Greenwood, J., Pyper, R. and Wilson, D. (2002) *New Public Administration in Britain* (London: Routledge).

- Griffiths, M., Parker, J., Smith, R., Stirling, T. and Trott, T. (1996) *Community Lettings. Local Allocations: Policy and Practice* (York: Joseph Rowntree Foundation).
- Hack, P. and Humphreys, H. (1998) *Vulnerability and Tenancy Failure: a Study of Single, Vulnerable Tenants in General Needs Housing* (London: Paddington Churches Housing Association).
- Hambleton, R. and Hoggett, P. (1987) 'Beyond bureaucratic paternalism', in Hoggett, P. and Hambleton, R. (eds.) *Decentralisation and Democracy: Localising Public Services* (Bristol: School for Advanced Urban Studies) pp.9-28.
- Hammond, P. and Tilling, C. (2003) *Black and Ethnic Minority (BME) RSL Research* (London: the Chartered Institute of Housing and the Housing Corporation).
- Harloe, M. (1978) 'The Green Paper on housing policy' in M. Brown and S. Baldwin (eds.) *The Year Book of Social Policy in Britain 1977* (London: Routledge and Kegan Paul).
- Harloe, M. (1995) *The People's Home: Social Rented Housing in Europe and America* (Oxford: Blackwell).
- Harris, M., Rochester, C. and Halfpenny, P. (2001) 'Twenty years of change' in M. Harris and C. Rochester (eds.) *Voluntary Organisations and Social Policy in Britain* (London: Palgrave Macmillan) pp.1-20.
- Harrison, J. (1995) 'Housing associations: new providers of social housing for rent, or vehicles for the privatisation of rented accommodation?' in R. Pinto (ed.) *Developments in Housing Management and Ownership* (Manchester: Manchester University Press) pp.54-94.
- Harrison, M. (1995) *Housing, Race, Social Policy and Empowerment* (Aldershot: Avebury Press).
- Harrison, M. (2002) 'Black and minority ethnic housing associations', in P. Somerville and A. Steele (eds.) *'Race', Housing and Social Exclusion* (London: Jessica Kingsley Publishers) pp.130-158.
- Healey, P. (1997) *Collaborative Planning: Shaping Places in Fragmented Societies* (Hampshire: Palgrave).
- Henderson, J. and Karn, V. (1987) *Race, Class and State Housing* (Aldershot: Gower).

- Hills, J. (1987) *The Voluntary Sector in Housing: the Role of Housing Associations Welfare State Programme Discussion Paper no. 20*, (London: London School of Economics).
- Hills, J. (1989) 'The voluntary sector in housing: the role of British housing associations' in E. James (ed.) *The Non-Profit Sector in International Perspective* (Oxford: Oxford University Press).
- Hills, J. (1991) *Unravelling Housing Finance: Subsidies, Benefits and Taxation* (Oxford: Clarendon Press).
- Hills, J. (1998) *New Inequalities: the Changing Distribution of Income and Wealth in the UK* (Cambridge: Cambridge University Press).
- Holmes, C. (2005) *The Other Notting Hill* (Studley, Warwickshire: Brewin Books).
- Hood, C. (1991) 'A public management for all seasons', *Public Administration*, 69 (1), pp.3-19.
- Hood, C. (2000) *The Art of the State: Culture, Rhetoric and Public Management* (Oxford: Clarendon Press).
- Hood, C., Scott, C., James, O., Jones, G. and Travers, T. (1998) *Regulation Inside Government* (Oxford: Oxford University Press).
- The Housing Corporation (1989) *Performance Expectations: Housing Associations Guide to Self-Monitoring* (London: The Housing Corporation).
- The Housing Corporation (1992a) *An Independent Future: Black and Minority Ethnic Housing Association Strategy* (London: The Housing Corporation).
- The Housing Corporation (1992b) *Performance Criteria* (London: The Housing Corporation).
- The Housing Corporation (1994a) *Housing Associations in 1993: Analysis of Statistical Information* (London: The Housing Corporation).
- The Housing Corporation (1994b) *The Next Three Years: The Housing Corporation's Plans and Priorities, 1994-1997* (London: The Housing Corporation).
- The Housing Corporation (1994c) *Performance Standards* (London: The Housing Corporation).

The Housing Corporation (1995a) *Housing Associations in 1994: General Report* (London: The Housing Corporation).

The Housing Corporation (1995b) *Black and Minority Ethnic Housing Needs: an Enabling Framework* (London: The Housing Corporation).

The Housing Corporation (1997a) *A Housing Plus Approach to Achieving Sustainable Communities* (London: The Housing Corporation).

The Housing Corporation (1997b) *The Social Housing Standard* (London: The Housing Corporation).

The Housing Corporation (1998) *Black and Minority Ethnic Housing Policy* (London: The Housing Corporation).

The Housing Corporation (1999a) *Regulating Diversity* (London: The Housing Corporation).

The Housing Corporation (1999b) *Best Value for Registered Social Landlords: Guidance from the Housing Corporation* (London: The Housing Corporation).

The Housing Corporation (2000a) *Regulating a Diverse Sector: The Housing Corporation's Policy* (London: The Housing Corporation).

The Housing Corporation (2000b) *A Strategy for Success: Effective Risk and Business Management* (London: The Housing Corporation).

The Housing Corporation (2000c) *Communities in Control* (London: The Housing Corporation).

The Housing Corporation (2001a) *Sector Study 5, Young People and Housing Association Housing* (London: the Housing Corporation).

The Housing Corporation (2001b) *Sector Study 10: The Spatial Distribution of Housing Associations and Their Stock* (London: The Housing Corporation).

The Housing Corporation (2001c) *Sector Study 11, Black and Minority Ethnic Communities: Key Data* (London: The Housing Corporation).

The Housing Corporation (2002a) *The Way Forward. Inspection: Our Approach. A Framework for Housing Associations* (London: The Housing Corporation).

The Housing Corporation (2002b) *Financial Health and Viability of Housing Associations, Sector Study 15* (London: The Housing Corporation).

- The Housing Corporation (2002c) *The Impact of the Large Scale Voluntary Transfer of Local Authority Housing Stock on the Housing Association Sector, Sector Study 17* (London: The Housing Corporation).
- The Housing Corporation (2003a) *Board Member Remuneration: a Summary of Responses to the Consultation Paper* (London: The Housing Corporation).
- The Housing Corporation (2003b) *Black and Minority Ethnic Housing Associations: the Challenge of Growth and Viability* (London: The Housing Corporation).
- The Housing Corporation (2003c) *Principles of the Developing Approach to Commissioning and Sub-Regional Partnering in London* (London: The Housing Corporation).
- Hudson, J. and Lowe, S. (2004) *Understanding the Policy Process: Analysing Welfare Policy and Practice* (Bristol: the Policy Press).
- Hughes, O. (2003) *Public Management and Administration: an Introduction* (London: Palgrave).
- Hunter, C. (2001) 'Anti-social behaviour and housing: can law be the answer?', in D. Cowan and A. Marsh (eds.) *Two Steps Forward: Housing Policy into the New Millennium* (Bristol: the Policy Press) pp.221-237.
- Hutton, W. (1995) *The State We're In* (London: Cape).
- Illich, I. (1976) *Limits to Medicine* (London: Marion Boyars).
- Institute of Housing (1987) *Preparing for Change* (Coventry: Institute of Housing).
- Institute of Public Policy Research (IPPR) (2000) *Housing United* (London: IPPR).
- Jacobs, J. (1961) (reprinted 1984) *The Death and Life of Great American Cities* (Harmondsworth: Penguin).
- Jacobs, K. (1999) *The Dynamics of Local Housing Policy* (Aldershot: Ashgate Press).
- Jacobs, K. and Manzi, T. (2000) 'Performance indicators and social constructivism: conflict and control in housing management', *Critical Social Policy*, vol. 20, no.1, February, pp.85-104.
- Jacobs, K., Kemeny, J. and Manzi, T. (1998) 'The struggle to define

- homelessness: a constructivist approach' in Hutson, S. and Clapham, D. (eds.) *Homelessness: Public Policies and Private Troubles* (London: Cassels) pp. 11-28.
- Jacobs, S. (1985) 'Race, empire and the welfare state: council housing and racism', *Critical Social Policy*, 13, pp.6-28.
- Jeffers, S. and Hoggett, P. (1995) 'Like counting deckchairs on the Titanic: a study of institutional racism in housing allocations in Haringey and Lambeth', *Housing Studies*, vol. 10, no. 3, pp.325-344.
- Jensen, L. (1998) 'Cultural theory and democratizing functional domains. the case of Danish housing', *Public Administration*, vol. 76, pp.117-139.
- Jensen, L. (1999) 'Images of democracy in Danish social housing' in M. Thompson, G. Grendstad and P. Selle (eds.) *Cultural Theory as Political Science* (London: Routledge) pp.173-185.
- John, P. (2000) *Analysing Public Policy* (London: Continuum Press).
- Jones, P. (1985) *National Federation of Housing Associations: the Jubilee Album* (London: National Federation of Housing Associations).
- Karn, V. (1993) 'Remodelling a HAT: the implementation of the housing action trust legislation 1987-92', in P. Malpass and R. Means (eds.) *Implementing Housing Policy* (Buckingham: Open University Press) pp. 74-90.
- Karn, V., Lickiss, R., Hughes, D. and Crawley, J. (1993) *Neighbour Disputes: Responses by Social Landlords* (Coventry: Chartered Institute of Housing).
- Kearns, A. (1997) 'Housing association committees: dilemmas of composition', in P. Malpass (ed.) *Ownership, Control and Accountability: The New Governance of Housing* (Coventry: Chartered Institute of Housing) pp.48-67.
- Kemp, P. (1989) 'The demunicipalisation of rented housing' in M. Brenton and C. Ungerson (eds.) *Social Policy Review 1988-89* (London: Longman) pp.46-66.
- Kemp, P. (1990) 'Deregulation, markets and the 1988 Housing Act', *Social Policy and Administration*, 24, pp.145-155.

- Kemp, P. (1992) 'The ghost of Rachman?', in C. Grant (ed.) *Built to Last: Reflections on British Housing Policy* (London: ROOF magazine) pp.110-121.
- Kemp, P. (1997) 'Ideology, public policy and private rental housing since the war' in P. Williams (ed.) *Directions on Housing Policy: Towards Sustainable Housing Policies for the UK* (London: Paul Chapman Publishing) pp.68-83.
- Kemp, P. (1998) *Housing Benefit: Time for Reform* (York: Joseph Rowntree Foundation).
- Kemp, P. and Williams, P. (1991) 'Housing management: an historical perspective' in S. Lowe and D. Hughes (eds.) *A New Century of Social Housing* (Leicester: Leicester University Press) pp.121-141.
- Kendall, J. (2003) *The Voluntary Sector: Comparative Perspectives in the UK* (London: Routledge).
- Kenrick, B. (1965) 'Homeless near a thousand homes', *New Christian*, November.
- King, D. (1993) 'Government beyond Whitehall', in P. Dunleavy, A. Gamble, I. Holliday and G. Peele (eds.) *Developments in British Politics*, 4 (London: Macmillan) pp.194-218.
- Klein, R. and Day, P. (1994) 'Governance and accountability in housing associations: a review of the issues' in R. Klein and P. Day (eds.) *Building on Success: Improving Housing Association Governance* (London: Southern Housing Group/Aldgate Press) pp.18-38.
- Kleinman, M. and Roberts, E. (1991) *The Acceptable Face of Social Housing: How, Where and Why Housing Associations Expanded in the 1980s* (Cambridge: Property Research Unit, Department of Land Economy, University of Cambridge) Discussion Paper 29.
- Krasner, S. (1984) 'Approaches to the State: alternative conceptions and historical dynamics' *Comparative Politics*, 16, pp.223-46.
- Laffin, M. (1986) *Professionalism and Policy: the Role of the Professions in Central/Local Government Relationships* (Aldershot: Ashgate Press).
- Lambert, C. and Malpass, P. (1998) 'The rules of the game: competition for housing investment' in N. Oatley (ed.) *Cities, Economic Competition and Urban Policy* (London: Paul Chapman Publishing) pp. 93-108.

- Lane, J. (2000) *The Public Sector* (London: Sage).
- Langstaff, M. (1992) 'Housing associations: a move to centre stage', in J. Birchall (ed.) *Housing Policy in the 1990s* (London: Routledge).
- Law, I. (1996) *Racism, Ethnicity and Social Policy* (London: Harvester Wheatsheaf).
- Le Grand, J. (1990) *Quasi-Markets and Social Policy* (Bristol: School for Advanced Urban Studies).
- Le Grand, J. (1991) 'The state of welfare' in J. Hills (ed.) *The State of Welfare: The Welfare State in Britain since 1974* (Oxford: Clarendon Press) pp.338-362.
- Le Grand, J. (1997) 'Knights, knaves or pawns? Human behaviour and social policy', *Journal of Social Policy*, vol. 26, part 2, pp.149-161.
- Le Grand, J. and Bartlett, W. (1993) *Quasi-Markets and Social Policy*, (London: Macmillan).
- Leach, S. and Wingfield, M. (1999) 'Public participation and the Democratic Renewal Agenda: prioritisation or marginalisation?', *Local Government Studies*, vol.25, no.4, pp.46-59.
- Leadbeater, C. and Goss, S. (1998) *Civic Entrepreneurship* (London: Demos).
- Lewis, O. (1966) 'The culture of poverty', *Scientific American*, vol. 215, no.4.
- Lewis, J. and Glennerster, H. (1996) *Implementing the New Community Care* (Buckingham: Open University Press).
- Lockhart, C. (1999) 'Cultural contributions to explaining institutional form, political change and rational decisions', *Comparative Political Studies*, vol.32, no.7, pp.862-893.
- London Borough of Camden (2002) *A Report of the Regulation of the Registered Social Landlord (RSL) Scrutiny Panel* (London: LB Camden).
- London Housing Federation (LHF) (1995) *Managing Vulnerability: the Challenge for Managers of Independent Housing* (London: NHF).
- London Housing Federation (LHF) (1998) *Bridging the Gap* (London: NHF).
- London Housing Federation (LHF) (1999) *Closing Doors* (London: NHF).
- London Housing Federation (2000) *London's Triple Whammy: Developing New Homes within Current Grant Rates, TCIs and Rent Caps* (London: NHF).

- London Research Centre (LRC) (1996) *The Capital Divided: Mapping Poverty and Social Exclusion In London* (London: LRC).
- Lowe, S. (2004) *Housing Policy Analysis* (London: Palgrave).
- Lowndes, V. (2002) (2nd edn.) 'Institutionalism' in D. Marsh and G. Stoker (eds.) *Theories and Methods in Political Science* (London: Palgrave) pp.90-108.
- McLaughlin, K. and Osborne, S. (2002) 'Current trends and future prospects of public management: a guide', in K. McLaughlin, S. Osborne and E. Ferlie, (eds.) *New Public Management: Current Trends and Future Prospects* (London: Routledge) pp.1-4.
- Macey, J. and Baker, C. (1973) (2nd edition) *Housing Management* (London: The Estates Gazette).
- Maile, S. and Hoggett, P. (2001) 'Best Value and the politics of pragmatism', *Policy and Politics*, vol. 29, no. 4, pp.508-19.
- Malpass, P. (1984) 'Octavia Hill' in P. Barker (ed.) *Founders of the Welfare State* (London: Heinemann).
- Malpass, P. (1990) *Reshaping Housing Policy: Subsidies, Rents and Residualisation* (London: Routledge).
- Malpass, P. (1997a) 'Introduction', in P. Malpass (ed.) *Ownership, Control and Accountability: the new Governance of Housing* (Coventry: Chartered Institute of Housing) pp.1-13.
- Malpass, P. (1997b) 'The local governance of housing' in P. Malpass (ed.) *Ownership, Control and Accountability: the New Governance of Housing* (Coventry: Chartered Institute of Housing) pp. 82-94.
- Malpass, P. (1999a) 'No strings attached?' *Roof*, July/August, pp. 30-31.
- Malpass, P. (1999b) 'Housing associations and housing policy in Britain since 1989', *Housing Studies*, vol.14, no. 6, pp.881-893.
- Malpass, P. (1999c) 'Housing policy: does it have a future?' *Policy and Politics*, vol. 27, no. 2, pp.217-227.
- Malpass, P. (2000a) *Housing Associations and Housing Policy: a Historical Perspective* (London: Macmillan).
- Malpass, P. (2000b) 'The discontinuous history of housing associations in England', *Housing Studies*, vol.15, no. 2, pp.195-212.

- Malpass, P. (2001) 'The uneven development of "social rented housing": explaining the historically marginal position of housing associations in Britain', *Housing Studies*, 16, 2 (March), pp. 225-242.
- Malpass, P. and Means, R. (1993) 'The politics of implementation', in P. Malpass and R. Means (eds.) *Implementing Housing Policy* (Buckingham: Open University Press) pp.185-194.
- Malpass, P. and Mullins, D. (2002) 'Local authority stock transfer in the UK: from local initiative to national policy', *Housing Studies*, vol. 17, no. 4, pp.673-686.
- Malpass, P. and Murie, A. (1994) (4th edn.) *Housing Policy and Practice* (London: Macmillan).
- Malpass, P. and Murie, A. (1999) (5th edn.) *Housing Policy and Practice* (London: Macmillan).
- Mantle, J. (1995) *Every Change is a Challenge: the Story of Paddington Churches Housing Association* (London: James and James Publishing).
- March, J. and Olsen, J. (1984) 'The new institutionalism: organisational factors in political life', *American Political Science Review*, 78, September-December, pp.734-749.
- Marsh, A. and Mullins, D. (1998) 'The social exclusion perspective and housing studies: origins, applications and limitations' in *Housing Studies*, vol.13, no.6, pp.749-759.
- Marsh, D. and Rhodes, R. (eds.) (1992) *Policy Networks in British Government* (Oxford: Clarendon).
- Means, R. and Smith, R. (1994) *Community Care: Policy and Practice* (London: Macmillan).
- Mellor, H. (1983) 'Democracy and accountability in housing associations', *Housing Review*, May-June, pp.84-85.
- Merrett, S. (1979) *State Housing in Britain* (London: Routledge and Kegan Paul).
- Michels, R. (1967) *Political Parties* (New York: Free Press).
- Milner Holland, E. (1965) *Report of the Committee on Housing in Greater London* (London: HMSO).
- Mintzberg, H. (1983) *Structures in Fives: Designing Effective Organisations*

- (New Jersey: Prentice Hall).
- Mullins, D. (1997a) 'Changing with the times: housing association responses to a changing environment', paper presented to *Housing Studies Association* conference, Cardiff, September 1997.
- Mullins, D. (1997b) 'From regulatory capture to regulated competition: an interest group analysis of the regulation of housing associations in England', *Housing Studies*, vol. 12 no. 3, pp.301-319.
- Mullins, D. (1999) 'Managing ambiguity: merger activity in the non-profit housing sector', *Journal of Nonprofit and Voluntary Sector Marketing*, pp. 349-364.
- Mullins, D. and Riseborough, M. (1997) 'Managerial strategy and organisational purpose', in D. Mullins and M. Riseborough (eds.) *Changing with the Times* (University of Birmingham, School of Public Policy) Occasional Paper, 12.
- Mullins, D. and Riseborough, M. (2000) *What are Housing Associations Becoming? Final Report of Changing with the Times Project* (University of Birmingham, School of Public Policy Housing Research at CURS Series) Number 7.
- Mullins, D. and Riseborough, M. (2001) 'Non-profit housing agencies: "reading" and "shaping" the policy agenda', in M. Harris and C. Rochester (eds.) *Voluntary Organisations and Social Policy in Britain* (London: Palgrave Macmillan) pp.154-170.
- Mullins, D., Reid, B. and Walker, R. (2001) 'Modernisation and change in social housing: the case for an organisational perspective', *Public Administration*, vol. 79, no.3, pp. 599-623.
- Murie, A., Niner, P. and Watson, C. (1976) *Housing Policy and the Housing System* (London: Allen and Unwin).
- Murray, C. (1996) *Losing Ground: American Social Policy, 1950-1980* (New York: Basic Books).
- National Audit Office (2001) *Regulating Housing Associations' Management of Financial Risk, Report by the Comptroller and Auditor General, HC 399, Session 2000-2001* (London: The Stationery Office).
- National Federation of Housing Associations (NFHA) (1983a) *Housing Associations: Their Contribution and Potential* (London: NFHA).

- National Federation of Housing Associations (1983b) *Race and Housing... Still a Cause for Concern* (London: NFHA).
- National Federation of Housing Associations (1990) *Towards 2000: the Housing Association Agenda* (London: NFHA).
- National Federation of Housing Associations (1991) *Housing Association Directory and Yearbook 1990/91* (London: NFHA).
- National Federation of Housing Associations (1995) *Competence and Accountability: Report of the Inquiry into Housing Association Governance* (London: NFHA).
- National Federation of Housing Associations (1996) *Housing Association Directory and Yearbook 1995/96* (London: NFHA).
- National Housing Federation (NHF) (1997) *The Fifth Pillar: Towards New Housing Policies* (London: NHF).
- National Housing Federation (1999) *Partnerships and Practicalities: Making it Work* (London: NHF).
- National Housing Federation (2000) *How Groups Work: Management and Accountability in Housing Groups* (London: NHF).
- National Housing Federation (2001a) *Housing Benefit: No Cause to Celebrate* (London: NHF).
- National Housing Federation (2001b) *Countdown to Rent Restructuring: Seven Steps to Implementation* (London: NHF).
- Nettleton, S. and Burrows, R. (1998) 'Individualisation processes and social policy: insecurity, reflexivity and risk in the restructuring of contemporary British health and housing policy' in J. Carter *Postmodernity and the Fragmentation of Welfare* (London: Routledge).
- Newman, J. (2001) *Modernising Governance: New Labour, Policy and Society* (London: Sage).
- Niskanen, W. (1971) *Bureaucracy: Servant or Master* (London: Institute for Economic Affairs).
- Niskanen, W. (1973) *Bureaucracy and Representative Government* (New York: Aldine Atherton).
- Noble Financial Publishing (1998) *Noble's Housing Associations Financial Yearbook 1998: A Comprehensive Financial Guide to UK Housing*

- Associations Managing Over 500 Units* (Edinburgh: Noble Financial Publishing).
- North Islington Housing Project (1976) *Street by Street: a Study of North Islington* (London: Shelter).
- Notting Hill Housing Group (undated) *New Future Regeneration: Trust, Partnership, Vision* (London: Notting Hill Housing Group).
- Nuttgens, P. (1989) *The Home Front* (London: BBC Books).
- Office of the Deputy Prime Minister (ODPM) (2000) *Quality and Choice in Housing: a Decent Home for All - The Housing Green Paper* (Norwich: The Stationery Office).
- Office of the Deputy Prime Minister (ODPM) (2002) *How to Choose Choice – Lessons from the First Year of the ODPMs Choice Based Letting Pilot Schemes: A Guide for Social Landlords* (Norwich: The Stationery Office).
- Osborne, D. and Gaebler, T. (1994) *Reinventing Government: how the Entrepreneurial Spirit is Transforming the Public Sector* (Reading, MA: Addison-Wesley).
- Osborne, S. and McLaughlin, K. (2002) 'The new public management in context', in K. McLaughlin, S. Osborne and E. Ferlie, (eds.) *New Public Management: Current Trends and Future Prospects* (London: Routledge) pp.7-14.
- Ounsted, D. (1999) 'Foreword' in T. Dwelly (ed.) *Community Investment: the Growing Role for Housing Associations* (York: Joseph Rowntree Foundation) p.4.
- Page, D. (1993) *Building for Communities: a Study of New Housing Estates* (York: Joseph Rowntree Foundation).
- Page, D. (1995) 'Building for communities: beyond the basics' in H. Blewitt and C. Garratt (eds.) *Making it Work: Case Studies of Tenant Participation in Housing Associations* (London: Community Development Foundation, Tenant Participation Advisory Service and the Housing Corporation).
- Passmore, J. and Fergusson, A. (1994) *Customer Service in a Competitive Environment* (Coventry: Chartered Institute of Housing).

- Pawson, H. (2004) 'Reviewing stock transfer', paper presented to the *Housing Studies Association* Spring conference, 'Transforming Social Housing', Sheffield Hallam University.
- Pawson, H. and Fancy, C. (2003) *Maturing Assets: the Evolution of Stock Transfer Housing Associations* (Bristol: the Policy Press).
- Pawson, H. and Ford, T. (2002) *Stock Turnover and Evictions in the RSL Sector*, Sector Study 14 (London: the Housing Corporation).
- Pawson, H. and Kintrea, K. (2002) 'Part of the problem or part of the solution? Social housing allocation policies and social exclusion in Britain', *Journal of Social Policy*, vol. 31, no.4, pp.643-667.
- Paxton, W. and Pearce, N. (2005) 'Part one: the voluntary sector and the State' in Paxton, W., Pearce, N., Unwin, J. and Molyneux, P. *The Voluntary Sector: Delivering Public Services: Transfer of Transformation?* (York: the Joseph Rowntree Foundation).
- Pearl, M. (1997) *Social Housing Management: a Critical Introduction* (London: Macmillan).
- Perri, G. (1998) 'Housing policy in the risk archipelago: toward holistic and anticipatory government', *Housing Studies*, vol. 13, no. 3, pp.347-375.
- Perri G, Leat, D., Seltzer, K. And Stoker, G. (2002) *Towards Holistic Governance: The New Reform Agenda* (London: Palgrave Macmillan).
- Perrow, C. (1979) *Complex Organisations: a Critical Essay* (New York: Random House).
- Peters, B. (1999) *Institutional Theory in Political Science* (London: Cassell).
- Peters, T. and Waterman, R. (1982) *In Search of Excellence: Lessons from America's Best-run Companies* (New York: Harper and Row).
- Phillips (1986) *What Price Equality? GLC Housing Policy Report 9* (London: Greater London Council).
- Pierson, P. (ed.) (2001) *The New Politics of the Welfare State* (Oxford: Oxford University Press).
- Pollitt, C., Birchall, J. and Putnam, K. (1998) *Decentralising Public Service Management* (London: Macmillan).
- Powell, W. and Di Maggio, P. (eds.) (1991) *The New Institutionalism in Organisational Analysis* (London: University of Chicago Press).

- Power, A. (1982) *Priority Estates Project 1982: Improving Problem Council Estates* (London: Department of the Environment).
- Power, A. (1987) *Property Before People: the Management of Twentieth-Century Council Housing* (London: Allen and Unwin).
- Power, A. (1988a) *Council Housing: Conflict, Change and Decision Making* (London: Suntory International Centre for Economics and Related Disciplines).
- Power, A. (1988b) *Under New Management: The Experience of 13 Islington Tenant Management Cooperatives* (London: Priority Estates Project).
- Power, A. (1993) *Hovels to High Rise: State Housing in Europe since 1850* (London: Routledge).
- Power, A. (1996) 'Area-based poverty and resident empowerment', *Urban Studies*, vol. 33, no.9, pp.1535-1564.
- Power, A. (1999a) *Estates on the Edge: the Social Consequences of Mass Housing in Northern Europe* (London: Macmillan).
- Power, A. (1999b) 'Marginal housing estates in Europe' in M. Kleinman, W. Matzenetter and M. Stephens (eds.) *European Integration and Housing Policy* (London: Routledge/RICS) pp.215-241.
- Power, A. and Tunstall, R. (1997) *Dangerous Disorder: Riots and Violent Disturbance in Thirteen Areas of Britain, 1991-92* (York: Joseph Rowntree Foundation).
- Power, M. (1997) *The Audit Society: Rituals of Verification* (Oxford: Oxford University Press).
- Pryke, M. (1994) 'Coping with some of the new risks of social housing in England' in W. Bartlett and G. Bramley (eds.) *European Housing Finance* (Bristol: School for Advanced Urban Studies, University of Bristol) pp.245-261.
- Randolph, B. (ed.) (1992) *Housing Associations after the Act* (London: National Federation of Housing Associations) Research Report, 16.
- Randolph, B. (1993) 'The re-privatisation of housing associations' in P. Malpass and R. Means (eds.) *Implementing Housing Policy* (Buckingham: Open University Press) pp.39-58.
- Reid, B. (1995) 'Interorganisational networks and the delivery of housing services', in *Housing Studies*, vol. 10, no. 2, pp.133-149.

- Reid, B. (1997) 'Interorganisational relationships and social housing services', in P. Malpass (ed.) *Ownership, Control and Accountability: the new Governance of Housing* (Coventry: Chartered Institute of Housing) pp. 109-30.
- Reid, B. (1999) 'Reframing the delivery of local housing services: networks and the new competition,' in G. Stoker (ed.) *The New Management of British Local Governance* (London: Macmillan) pp.128-144.
- Rhodes, R. (1996) 'The new governance: governing without government', *Political Studies*, vol. 44, no. 4, pp.652-657.
- Rhodes, R. (2000) 'Conclusion: understanding the British governmental tradition: an anti-foundational approach' in R. Rhodes (ed.) *Transforming British Government, Volume 2: Changing Roles and Relationships* (London: Macmillan).
- Ridley, N. (1991) *'My Style of Government': The Thatcher Years* (London: Hutchinson).
- Ross, L. (2002) *How Many Storeys? Ujima Housing Group: 25th Anniversary Book* (London: Ujima Housing Group).
- Royce, C., Yang, J., Patel, G., Saw, P. and Whitehead, C. (1996) *Set up to Fail? The Experience of Black Housing Associations* (York: Joseph Rowntree Foundation).
- Sabatier, P. (1999) *Theories of the Policy Process (Theoretical Lenses on Public Policy)* (Boulder, Co.: Westview Press).
- Sahlin, I. (1995) 'Strategies for exclusion from social housing', *Housing Studies*, vol.10, no.3, pp.381-401.
- Sahlin, I. (1996) 'From deficient planning to "incapable tenants". Changing discourses on housing problems in Sweden', *Scandinavian Housing and Planning Research* vol.13, no 4, pp.167-181.
- Sarre, P., Phillips, D. and Skellington, R. (1989) *Ethnic Minority Housing: Explanations and Policies* (Aldershot: Avebury Gower).
- Schumacher, E. (1974) *Small is Beautiful* (London: Abacus Books).
- Schwartz, M. and Thompson, M. (1990) *Divided We Stand: Redefining Politics, Technology and Social Choice* (Hemel Hempstead: Harvester Wheatsheaf).

- Seyd, P. (1975) 'Shelter: the national campaign for the homeless', *Political Quarterly*, 46, pp.418-431.
- Smith, M. (1989) (3rd edition) *Guide to Housing* (London: Housing Centre).
- Smith, S. and Mallinson, S. (1997) 'The problem with social housing: discretion, accountability and the welfare ideal', *Policy and Politics*, vol. 24, no. 4, pp.339-357.
- Smith, P. and Paterson, B. (1999) *Making it all Add Up: Housing Associations and Community Investment* (York: Joseph Rowntree Foundation).
- Social Exclusion Unit (1998) *Bringing Britain Together: a National Strategy for Neighbourhood Renewal*, Cm.4045 (London: the Stationery Office).
- Social Exclusion Unit (2001) *Preventing Social Exclusion* (London: Cabinet Office).
- Social Exclusion Unit (2001a) *A New Commitment to Neighbourhood Renewal: National Strategy Action Plan* (London: Cabinet Office).
- Somerville, P. (1998) 'Empowerment through residence', *Housing Studies*, vol.13, no.2, pp.233-257.
- Spencer, K., Mullins, D. and Walker, B. (1995) *Voluntary Housing Today and Tomorrow*, Occasional Paper no.1 (Birmingham: School of Public Policy, University of Birmingham).
- Spicker, P. (1992) 'Victorian values' in C. Grant (ed.) *Built to Last: Reflections on British Housing Policy* (London: ROOF magazine) pp.8-14.
- Sprigings, N. (2002) 'Delivering public services under the new public management: the case of public housing', *Public Money and Management*, October-December.
- Stack, U. (1967) *The Development of a Housing Association* (Birmingham: CURS).
- Stewart, J. (1988) *The New Management of Housing Departments* (Luton: Local Government Management Board).
- Stoker, G. (1999) 'Foreword: governance and networks', in G. Stoker (ed.) *The New Management of British Local Governance* (London: Macmillan) pp.xii-xxvi.
- Stoker, G. (2002) 'Life is a lottery: New Labour's strategy for the reform of devolved governance', *Public Administration*, vol. 80, no. 3, pp.417-34.

- Stoker, G. (2004) *Transforming Local Governance: From Thatcherism to New Labour* (London: Palgrave Macmillan).
- Tarn, J. (1973) *Five Per Cent Philanthropy: an Account of Housing in Urban Areas between 1840 and 1914* (Cambridge: Cambridge University Press).
- Taylor, M. (1994) 'The changing role of the non-profit sector in Britain: moving toward the market' in R. Smith and J. Raistrick (eds.) *Policy and Change* (Bristol: School for Advanced Urban Studies) pp.57-78.
- Taylor, M. (1995) *Unleashing the Potential: Bringing Residents to the Centre of Regeneration* (York: Joseph Rowntree Foundation).
- Taylor, M. (1997) *The Best of Both Worlds: The Voluntary Sector and Local Government* (York: Joseph Rowntree Foundation).
- Taylor, M. (1998) 'Combating the social exclusion of housing estates', *Housing Studies*, vol. 13, no. 6, pp.819-32.
- Taylor, M. (2000) *Top Down Meets Bottom Up: Neighbourhood Management* (York: Joseph Rowntree Foundation).
- Taylor, M. (2003) *Public Policy in the Community* (London: Palgrave Macmillan).
- Thompson, M., Ellis, R. and Wildavsky, A. (1990) *Cultural Theory* (Boulder, Co.: Westview Press).
- Thompson, M. and Wildavsky, A. (1986) 'A cultural theory of information bias in organisations', *Journal of Management Studies*, 23, pp.273-86.
- Thompson, M., Grendstad, G. and Selle, P. (eds.) (1999) *Cultural Theory as Political Science* (London: Routledge).
- Tims, M. (1968) *An Historical Survey of Selected Housing Associations* (York: Joseph Rowntree Memorial Trust).
- Tolbert, P. and Zucker, L. (1999) 'The institutionalisation of institutional theory' in S. Clegg and C. Hardy (eds.) *Studying Organisations: Theory and Method* (London: Sage) pp.169-184.
- Walker, R. (1998a) 'Social housing management', in M. Laffin (ed.) *Beyond Bureaucracy* (Aldershot: Ashgate Press) pp.108-128.
- Walker, R. (1998b) 'New public management and housing associations: from comfort to competition', *Policy and Politics*, vol. 26, no. 1, pp.71-87.
- Walker, R. (2000) 'The changing management of social housing: the impact of

- externalisation and managerialisation', *Housing Studies*, vol.15, no. 2, pp. 281-299.
- Walker, R. (2001) 'How to abolish public housing: implications and lessons from public management reform', *Housing Studies*, vol. 16, no. 5, pp.674-96.
- Walker, B. and Marsh, A. (2003) 'Setting the rents of social housing: the impact and implications of rent restructuring in England', *Urban Studies*, vol. 40, no. 10, pp.2023-2047.
- Walker, R. and Smith, R. (1999) 'Regulatory and organisational responses to restructured housing association finance in England and Wales' *Urban Studies*, vol. 36, pp.737-54.
- Walker, R., Jeanes, E., and Rowlands, R. (2001) *Managing Public Services Innovation: the Experience of English Housing Associations* (Bristol: the Policy Press).
- Walsh, K. (1995) *Public Services and Market Mechanisms: Competition, Contracting and the New Public Management* (London: Macmillan).
- Ward, C. (1974) *Tenants Take Over* (London: Architectural Press).
- Ward, C. (1985) *When We Build Again* (London: Pluto Press).
- Weber, M. (1947) *The Theory of Social and Economic Organisation* (New York: Free Press).
- Whelan, R. (1998) *Octavia Hill and the Social Housing Debate* (London: Institute of Economic Affairs, Health and Social Welfare Unit).
- Whitehead, C. and Kleinman, M. (1986) *Private Renting in the 1980s and 1990s* (Cambridge: Granta Publications).
- Wilcox, S. (ed.) (2000) *Housing Finance Review, 1999/00* (York: Joseph Rowntree Foundation).
- Wilcox, S. (ed.) (2003) *Housing Finance Review, 2002/03* (York: Joseph Rowntree Foundation).
- Wilson, J. (1989) *Bureaucracy: What Government Agencies Do and Why They Do It* (New York: Basic Books).
- Wolch, J. (1990) *The Shadow State: Government and the Voluntary Sector in Transition* (New York: Foundation Centre).
- Young, S. (2000) 'Participation strategies and local environmental politics: local agenda 21' in G. Stoker (ed.) *The New Politics of British*

Local Governance (London: Macmillan) pp.181-197.

Appendix I

METHODOLOGY

The empirical material upon which this thesis is based is drawn from a number of sources. First, a series of interviews was conducted over a period of seven years. Second, resident surveys were drawn upon. Third, organisational documents were reviewed, including Annual Reports, publicity material and organisational histories. Fourth, an extensive search of literature relevant to the subject was carried out, including government documents, policy guidance and data from representative bodies. Fifth, statistical sources were used, including government publications and sources from the National and Housing Federation (also incorporating the London Housing Federation). The London Housing Unit and the Association of London Government also collect material across the London area.

Interviews

Personal interviews constituted the main part of the research, providing background to decision-making and exploring the attitudes and perceptions of a variety of actors (at different organisational levels). A total of 48 formal interviews were conducted. The objective of the interviews was to gain an understanding of subjective experiences and the meanings attached to those experiences (Devine, 1995). The aim was to gain an understanding of the motives and interpretations of organisational actors and to attempt to embrace heterogeneity of experiences and accounts by seeking a diversity of views. The intention of the interview was to gain personalised accounts of attitudes to organisational change. Individuals were encouraged to offer their own interpretations of organisational transformation and to criticise where appropriate the management style of housing associations. Positive interpretations were also encouraged where appropriate. Due to the controversial nature of some of the questions and responses anonymity was granted to respondents in order to allow frankness.

Interview material was sought largely to establish the pressures, constraints, tensions and influences upon key organisational actors in the housing association sector between 1996 and 2003. I was particularly concerned to gain a broad selection of views about housing management change. Consequently, I endeavoured to select a cross-section of different interested parties. I was particularly keen not simply to gain a corporate view of organisational practice.

Interviewees were selected at senior level initially (Chief Executives and Directors) to gain a corporate level view of change. Subsequently, middle managers and front-line housing management staff (normally referred to as 'housing officers') were interviewed to gain a wider perspective on the change process. Management committee members were also approached and interviewed. Other stakeholders included the Chief Executive of the National Housing Federation, the Chief Executive of the Federation of Black and Minority Housing Organisations and representatives of the Housing pressure group, Shelter. Local authority staff were also interviewed to gain perspectives from the statutory sector, which retains a responsibility for allocating funds and monitoring the performance of partner housing associations. In addition, resident groups were contacted to provide some perspective on service delivery. Other interviewees included neighbourhood officers, a resident caretaker, tenants, owner-occupiers and leaseholders. A 'snowball sampling' technique was used, whereby interviewees recommended other potential interviewees.

Interviews were conducted on a semi-structured basis. Similar questions were put to each interviewee, but opportunities to probe the responses differed in each interview. Letters were sent to the main organisations operating in the London area and representatives of all the main organisations agreed to be interviewed. The interviews normally lasted about forty minutes each. These interviews were recorded and transcribed. The main feature of questioning entailed:

- An explanation of how their organisation (and the sector as a whole) had responded to the post 1988 changes
- Discussion of the strengths, weakness, opportunities and threats to their organisations (or the sector)
- Explanation of how service delivery had evolved during the period between 1988 and 2003
- An explanation of how relationships between housing associations and other agencies had changed following the 1988 Act
- Discussion of wider policy issues resulting from the changing function of the voluntary housing sector

London was selected as the most significant area for housing association activity (the majority of organisations are located here) being where historically the highest level of housing association activity had been conducted. It has the greatest concentration of housing association accommodation in the country and provides an arena where some of the most significant organisational debates are acted out.

The 1988 Housing Act was selected as the key incentive of legislative change, although the study necessarily looks at change from a wider perspective in order to provide context and background to the contemporary development of the sector. The intention of the interviews was to locate actors' interpretations of housing change within a wider institutional setting; to gain an understanding of their role within the voluntary housing sector. In this regard it was decided to interview not only staff working for housing associations but also to question local authority staff and other interested parties to gain a broader perspective upon how housing associations connect with a wider policy environment.

Focus group discussions

In addition to the interviews, a series of four focus group discussions was conducted with representatives from local authority staff, housing association

front-line managers and advice workers. These focus group discussions were intended to evaluate the changes from the perspective of front-line staff; enabling other information to be collected through collective debates. The formats of these latter meetings were more fluid than the semi-structured interviews. The focus groups were intended to identify group issues within a collective environment and to encourage a more open discussion of changes within the sector. The intention of these discussions was to gain a more dynamic view of the way that individuals perceived the sector, allowing contributors to respond to different interpretations of management change and to follow different lines of thought from a one-to-one interview technique.

Surveys

The research also drew upon two main surveys. One was conducted at a residents' conference (at a Tenant Participation Advisory Service) conference held in Coventry in March 2001. 56 responses were collected from this exercise. Although based on national tenant profile, a number of responses about London-based associations were identified from the comments. Tenants were asked to respond to a list of questions, but also to provide further information about their landlords.

A second survey was used, which drew on material collected from a study of residents on a housing association estate in the London Borough of Ealing. This was conducted by a market research company, in a neighbourhood profiling exercise carried out in 2002. A third of the residents (185 in total) completed the survey. The estate was part of a large consortium scheme constructed in the early 1990s as one of the first large-scale housing association developments. The findings were revealing in that they illustrated many of the serious challenges facing housing association schemes which were coming to light ten years after the developments were first constructed. In particular they pointed to the difficulties of coordination of the activities of a variety of different landlords and where the local authority input was minimal.

Annual Reports and Organisational Histories

A study of reports and organisational publications was undertaken to ascertain changes in the way that associations presented themselves to their stakeholders and a wider public. This involved a search of libraries and contacting various organisations to collect their publications. In some cases they had produced organisational histories, which gave a valuable insight into the way they presented their changes. The Harry Simpson memorial library (based at the University of Westminster) was a valuable source of housing information. I was also concerned to examine monitoring reports on specific organisations, now available from the Housing Corporation and the Audit Commission. In some cases, minutes were available from local authority committee meetings where housing association issues were debated.

Statistical Sources

Since 1989, statistics on the housing association sector have become widely available through the Office of the Deputy Prime Minister, the National Housing Federation (through their CORE monitoring system), the Housing Corporation and annual Housing Finance Reviews edited by Steve Wilcox. These sources were used to provide a wider picture of how the sector has changed since 1988. However, material before 1988 is far more difficult to evaluate as there was no central database of information about the sector. The information that is available was collected on a more ad hoc basis and relied on individual organisations.

Literature Search

The academic literature included material from various specialisms (management theory, public administration and housing studies). Conference papers and journal articles were also used alongside government publications and guidance from relevant agencies (such as the Housing Corporation, the National Housing Federation and the London Mayor).

Whilst the managerial reforms to the housing association sector and extensive regulation have ensured that extensive statistical information is collected, this information was generally not available in the pre-1988 period. Consequently a study of organisational change from a historical period proved a difficult task. Records are incomplete and the information that is available tends to be based on publicity material that is intended to show organisations in a favourable light.

In the early 1980s there were almost no publications that dealt with the housing association sector. Apart from publicity material from the National Federation of Housing Associations (as it was then called), there were no studies that looked critically at the sector or provided consistent and accurate statistical data. Consequently, it has proved difficult to provide contrasts with the pre 1988 and post 1988 period. Since the 1990s there has been a considerable increase in the collection of data and the beginnings of some academic studies. The Housing Corporation and the National Federation have also been more rigorous in their production of statistics as the sector has assumed greater prominence in policy terms. The previous regime illustrated the relaxed nature of the sector and the tendency to view it as a somewhat benign and amateurish collection of organisations.

Appendix II

List of interviews:

Interview number	Position	Organisation	Date
1.	Area Director	Kensington Housing Trust	11/1/96
2.	Project Manager	LB Croydon	23/1/96
3.	Chief Executive	Notting Hill Housing Trust	12/8/96
4.	Chief Executive	Octavia Hill Housing Trust	14/8/96
5.	Director	Circle 33 Housing Trust	24/9/96
6.	Director	Paddington Churches HA	11/2/97
7.	Chief Executive	1066 Housing Association	25/2/97
8.	Director	Network Housing Association	26/2/97
9.	Research Manager	London and Quadrant HT	5/3/97
10.	Chief Executive	Swale Housing Association	13/3/97
11.	Chief Executive	Newlon Housing Trust	21/3/97
12.	Chief Executive	National Housing Federation	8/4/97
13.	Area Director	Notting Hill Housing Trust	11/4/97
14.	Director	Peabody Trust	10/9/97
15.	Project Manager	Hyde Housing Association	6/10/97
16.	Director	Moat Housing Society	8/10/97
17.	Policy Officer	Shelter	16/12/97
18.	Policy Officer	Shelter	16/12/97
19.	Personnel Manager	Notting Hill Housing Trust	8/1/98
20.	Committee member, councillor	Notting Hill Housing Trust, LB Hammersmith and Fulham	11/11/98
21.	Vice chair of housing	LB Lambeth	20/11/98
22.	Committee member	New Islington and Hackney HA	27/11/98
23.	Group Chair	Notting Hill Housing Trust	25/1/99
24.	Chief Executive	Federation of Black Housing Organisations	18/2/99
25.	Customer Services Manager	Old Ford HA	4/5/99
26.	Customer Services Manager	Circle 33 HA	12/5/99
27.	Housing Officer	Southern Trust	5/10/99
28.	Service Delivery Officer	English Churches Housing Association	5/10/99
29.	Housing Officer	Notting Hill Housing Trust	8/12/00
30.	Tenant	Peabody Trust	14/12/00
31.	Housing Services Manager	Notting Hill Housing Trust	15/8/02
32.	Community Development Officer	Notting Hill Housing Trust	15/8/02
33.	Development Manager	Acton Housing Association	2/12/02

34.	Assistant Regional Manager	Ealing Family Housing Association	6/1/03
35.	Estate Services Officer	Ealing Family Housing Association	6/1/03
36.	Community Development Officer	Acton Housing Association	8/1/03
37.	Assistant Director of Housing	Acton Housing Association	10/1/03
38.	Resident Leaseholder	Windmill Park Estate	14/1/03
39.	Tenant	Inquilab Housing Association	21/1/03
40.	Resident Leaseholder	Osterley Gardens Estate	21/1/03
41.	Senior Neighbourhood Officer	Notting Hill Housing Trust	28/1/03
42.	Neighbourhood Renewal Project Manager	London Borough of Ealing	17/2/03
43.	Resident Caretaker	Windmill Park Estate	17/2/03
44.	Committee Member	Acton Housing Association	19/2/03
45.	Housing Officer	Look Ahead Housing Association	24/2/03
46.	Project Manager	London Borough of Barnet	4/3/03
47.	Resident	Choices for Grahame Park	14/10/03
48.	Neighbourhood Manager	Genesis Housing Group	14/12/03

Focus Groups

Number	Position	Organisation	Date
1.	Housing Officers and Customer Services Managers	LB Newham, Crawley BC, LB Redbrige, LB Islington, LB Hammersmith and Fulham, Bridge Housing Association, Central and Cecil Housing Trust, LB Camden, South Norfolk DC, Circle 33 HA.	27/5/99
2.	Housing Managers	Penrose Housing Association	2/6/99
3.	Housing Officers, Homelessness Officer, Development Officer, Tenant Involvement Worker	English Churches Housing Group, Aragon HA, LB Hackney, LB Brent, Testway Housing Ltd., LB Lambeth	24/4/02
4.	Housing Managers, Housing Advice Worker	Wyke Estate Tenant Management Organisation, Octavia Hill Housing and Care, Frontline Housing Advice Ltd.	18/4/02